

PEOPLE
Trudeau's Former...
Prosecutors in Ottawa...

The Global Newspaper
Edited and Published
in Paris.

U.S. Race Comes Into Focus:
Bush Likely to Face Dukakis

By R.W. Apple Jr.
New York Times Service
NEW YORK — For the first
time since Gary Hart's front-

Tuesday but also the size and shape
of it that convinced professionals
that he is the probable Democratic
presidential nominee.

NEWS ANALYSIS
Dukakis is in a position to
persuade many skeptics of his appeal
in the big states that are so crucial
to Democratic success.

the black vote in Detroit so thor-
oughly that he dominated that
state's caucus process.

Mr. Dukakis did best in the
smaller close upstate and in the
suburbs, least well in New York
City. That is bad news for Mr.



Michael S. Dukakis salutes New Yorkers on Wednesday.



Their 15-day ordeal over, freed passengers leave the plane on Wednesday.

Hijackers Free
All Hostages
On Kuwaiti Jet

Compiled by Our Staff From Dispatches
ALGIERS — The two-week
hijacking of a Kuwait Airways jet
ended at dawn Wednesday when
nine hijackers were taken off the
Boeing 747 by Algerian negotiators
and the 31 remaining hostages were
freed.

the plane as the hijacking was en-
tering its 16th day.
The passengers and crew mem-
bers spent a longer period as cap-
tives on a hijacked plane than in
any previous hijacking. They spent
more than 15 days — 362 hours
and 30 minutes — on the jetliner as
prisoners of nine Arabic-speaking
gunmen who seized it on a flight
from Bangkok to Kuwait on April 5.

Kuwait reported that the hijack-
ers, who killed two passengers dur-
ing the 15-day ordeal, surrendered
to the Algerian authorities in return
for a promise of safe conduct to
either Iran or Lebanon. Officials in
Algiers said later that the hijackers
had left the country, but other offi-
cial sources said the hijackers
would remain in Algeria for a few
days while deciding where they
would go.

Kuwaitis hailed the end of the
hijacking as a victory for their gov-
ernment's stand against terrorism.
Many Kuwaitis called radio sta-
tions to congratulate their govern-
ment. "This is a happy moment for
the nation," a radio announcer de-
clared. "We congratulate ourselves,
our government and our emir, and
we offer the leadership garlands of
roses and jasmine."

Algiers at Odds With Air Piracy Pact

By Barry James
International Herald Tribune
PARIS — In granting safe
passage to the hijackers of the
Kuwait Airways jumbo jet who mur-
dered two of their hostages,
Algeria is repudiating an ineffective
agreement by 130 other na-
tions to bring air pirates to justice.

Paul Sheppard, security direc-
tor of the International Civil Avia-
tion Organization in Montreal,
acknowledged that the conven-
tion, despite its strong wording,
had no teeth.

know the whereabouts of the hijack-
ers and was commenting on
the basis of sketchy reports.

End of the Ordeal

Paul Delaney of The New York
Times reported from Algiers:
The passengers stepped from the
cabin just after 6 A.M., some smil-
ing and waving. A few had
wrapped themselves in airline blan-
kets.

Meeting the press in a small
building adjacent to the main air-
port terminal, the passengers told
of strict discipline imposed by the
hijackers, threats, steadily worsening
conditions, hot and sweaty days
and cold nights, and increasingly
foul smells in the cabin.

Jackson Says
He Will Stay
In Primaries

Compiled by Our Staff From Dispatches
NEW YORK — The Reverend
Jesse L. Jackson vowed Wednesday
to stay in the Democratic presiden-
tial race through the final round of
primary elections in June, but he
contradicted Governor Michael S.
Dukakis of Massachusetts for his
strong victory in the New York
state primary the day before.

Klosk
Czechs to Name
A New Cabinet

PRAGUE (AFP) — Prime
Minister Lubomir Strougal
presented his government's
resignation on Wednesday to
pave the way for a cabinet re-
shuffle, official sources said.

Soviet Sources Say Ligachev Power Ebbs

By Philip Taubman
New York Times Service
MOSCOW — The Communist
Party's No. 2 official, Yegor K.
Ligachev, has curtailed his activities
since a recently reported clash
with Mikhail S. Gorbachev, the
Soviet leader, and he may have lost
part of his portfolio, Soviet officials
said Wednesday.

The apparent rebuff of Mr. Liga-
chev strengthens Mr. Gorbachev's
control over the top echelon of the
party, and may help him mobilize
support for his programs at lower
levels. But it does not mean im-
mediate relief from the inertia and
resistance he faces.

While other areas of Soviet life
have received more open coverage
under Mr. Gorbachev, the inner
workings and deliberations of the
party leadership remain carefully
shielded and hard information
about last month's events is scarce.

Wazir Death
Fails to Unite
Arafat, Assad

By Jonathan C. Randal
Washington Post Service
DAMASCUS — Amid chaotic
scenes of scuffling and emotion,
Khalil al-Wazir, the assassinated
leader in command of the Palesti-
nian Liberation Organization, was
buried on Wednesday alongside
hundreds of Palestinians who have
died in their struggle for a home-
land.

But intensive diplomatic efforts
failed to make Abu Jihad, as Mr.
Wazir was better known, as im-
mediately useful in death as he had
been in misunderstanding activities
inside the Israel-occupied West
Bank and Gaza Strip.

Delegate Count After New York

Table with columns for Delegate, Votes, and Percentage. Includes names like Dukakis, Jackson, and others.

U.S. Colleges Get So Picky Top Students Fail to Gain Entry

By Deirdre Carmody
New York Times Service
NEW YORK — In the past, only the weakest
American students were rejected by all the colleges to
which they applied. But this year, many students near
the top of their class have been devastated to learn that
they have not been accepted anywhere, U.S. college
guidance counselors say.

score of 1360 out of a possible 1600, placing him in the
top ranks of students nationally. He was rejected by all
four of the schools to which he applied: Duke University,
the University of Michigan, Tufts University and
Dartmouth College.

Another student was ranked in the top fifth of his
class at New Trier High School in Winnetka, Illinois,
one of the most academically rigorous public schools
in the country. His combined score on the SAT — the

standard college entry examination — was over 1300
and his additional achievement tests averaged over
600. In addition, he was a good swimmer and involved
in several student activities. The student applied to
two Ivy League colleges, two selective smaller Eastern
colleges and to the University of Michigan. He was
turned down by all.

Another, this one at a top New England prep
school, had won the school's public speaking contest,
played lacrosse and had a combined SAT score of just
under 1200. He applied to eight selective colleges,
including Harvard, Princeton and Wesleyan Univer-
sity. He was rejected by all.

increased their marketing efforts and recruited in
areas where they were relatively unknown. This has
brought in more applicants, enabled colleges to be
more geographically diverse and generally hurt stu-
dents from the East, the usual majority in the selective
college applicant pool.

What one knows is why so many more students
are applying to college. But what is obvious is that
greater numbers of parents and students are willing to
sacrifice almost anything to make a college education
possible.

Counselors are finding themselves dealing with
tearful students and calls from outraged parents.

Another, this one at a top New England prep
school, had won the school's public speaking contest,
played lacrosse and had a combined SAT score of just
under 1200. He applied to eight selective colleges,
including Harvard, Princeton and Wesleyan Univer-
sity. He was rejected by all.

While it is too early to tell exactly what is happening

Business/Finance

U.S. consumer prices rose 0.5
percent in March, the biggest
gain in 14 months. Page 17.

Sports

The Baltimore Orioles tied
baseball's major league record
for losses — 13 — at the start
of a season. Page 23.

Special Report

Taiwan is initiating major
changes in its relations with
China. Pages 11-16.

Dollar

Table with columns for Dollar, DM, Pound, Yen, FF and their respective values.

Vertical sidebar containing various advertisements including 'TODAY'S INTERNATIONAL BUSINESS SAGE CENTRE', 'CHAUFFEUR SERVICES', 'BOATS', 'CLUBS', 'WANTED', 'HIPPIES', 'MOTORCYCLES', 'PH. 701-202-2020', 'FAX 701-202-2020'.



BRIEFS

U.K. Lawmaker... Labor Party's leadership...

ments to Intern... Japanese-Americans...

's Pilgrim Reque... Arabia rejected Iran's demand...

Vietnam Refuge... holding center for recent...

asting Chief Resi... The head of the South African...

Eastern as director-general... vision personal aides would...

ype of the U.S. Stealth bomber... scheduled for the fall...

EL UPDATE

et Expected Next... Penetration of Central Asian...

than half of 1987 workers had... conditions...

with Iran and the Middle East... the Arabian News Agency...

In a Newspaper Ad, Aged Texan Seeks 'Someone to Talk to'

By Lisa Belkin... MIDLAND, Texas — For perhaps the first time...

thing he asks in return, he said, is companionship...

Mr. Knickerbocker is looking specifically for a...

bocker said. Executing it has been surprisingly...

said, explaining that the applicant was about 40 to...

That is what led him to place an advertisement...

Rather than taking in a boarder, Mr. Knickerbocker...

smelting town on the Mexico-Arizona border...

Last month, he took out the following advertisement...

After reducing the stack of letters to three...

Meese's Choice for Deputy Will Not Take Position

The Associated Press... WASHINGTON — John C. Shepherd...

tions of Mr. Burns and several other...

discussed his predicament. "While I am pleased...

under indictment in the Wedtech...

■ 3 Aides Leave... Three more top Justice Department...

The refusal is seen as a new embarrassment...

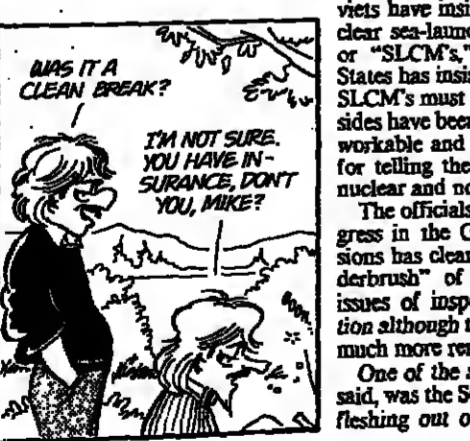
Mr. Shepherd said in St. Louis that he had...

Mr. Meese said Wednesday. "There is nothing...

It was not immediately clear whether the new...

The resignations of the officials...

DOONESBURY



U.S., Soviet Negotiators Progress On Verifying Strategic Arms Accord

By Don Oberdorfer... HELSINKI — U.S. and Soviet negotiators...

cept to limit the deployment of mobile missiles...

Mr. Nunn asserts that an amendment to the treaty...

"We are very concerned about that," Mr. Fitzwater...

RAMADA MEANS INDIVIDUAL SERVICE. RAMADA IN ASIA AND THE PACIFIC. Bangkok, Brisbane, Cairns, Guilin, Hong Kong...

WestLB International S.A. Condensed Balance Sheet as per December 31, 1987. ASSETS: 10,038.8 million DM. LIABILITIES: 10,038.8 million DM.

EUROPE JAPAN NO OTHER AIRLINE SPREADS ITS WINGS MORE OFTEN THAN JAL. JAL has more flights a week from Europe to Japan than any other airline.

Great for Music. PALACE HOTEL GSTAAD SWITZERLAND. Phone 030/83131 Telex 922 222. Tel. 030/43344.

MOVADO. The Museum.Watch. The Movado® Museum® Watch: A pure expression of time as art.





# N.Y. Campaign Earns Mixed Reviews

By Frank Lynn  
New York Times Service

**NEW YORK** — New York Democratic politicians, in assessing the party's primary election campaign, gave the most bouquets to the Reverend Jesse L. Jackson and the most brickbats to Senator Albert Gore Jr. of Tennessee and the "fourth candidate" in the race, Mayor Edward I. Koch.

Governor Michael S. Dukakis of Massachusetts was generally praised for a positive campaign that allowed him to stay above the squabbling over Mr. Jackson, although there also was mild criticism for the governor's "coasting," or playing it safe.

Most of the praise for Mr. Jackson centered on his organization and his "turning the other cheek" to the attacks from Mr. Koch.

Governor Mario M. Cuomo, publicly neutral in the race, declined to be interviewed for his appraisal. But Mr. Koch, a Gore supporter, said: "I think Al Gore regrettably wasn't adequately

funded to get his message across." The mayor's own role? "I don't know whether I helped or hurt," he said.

The mayor also said that Mr. Jackson had "buffalooed" reporters with nonresponsive answers to questions.

As for Mr. Dukakis, the mayor said: "I think there is a feeling that he is coasting; that's going to hurt him when he runs against Bush. You have to want the job, you have to show it."

Mel Miller, the speaker of the New York Assembly and the ranking Democratic legislator in the state, nearly endorsed Mr. Gore. But in the end the speaker stayed neutral. Mr. Gore "floundered and started to run against his own record," Mr. Miller said.

Paul Bograd, the Dukakis campaign manager in New York, said: "This has been one of the ugliest chapters in politics." He said that Mr. Jackson "ran a damn good campaign, technically in maximizing his vote and, like us, not being

drawn into the low road." He said that Mr. Gore had made "a litany of mistakes" that "ended up with Koch and culminated in him disavowing Koch."

Mark Green, the 1986 Democratic Senate candidate, who was neutral, said, "Koch played with matches in a TNT factory." He added that the mayor had been "rubbed salt in black-Jewish wounds, polarized the city and probably caused himself *tsuris* next year." "Tsuris" is Yiddish for "trouble," and the mayor has said he will seek a fourth term in 1989.

Assemblyman Herman D. Farrell, the Manhattan Democratic leader, who backed Mr. Jackson, said: "Ed Koch has made the city look totally racist. I don't know if it will come back to haunt him, but it will come back to haunt the city."

Stanley Hill, the labor leader who was state co-chairman of the Jackson campaign, said: "Our biggest strength was our candidate. This guy has energized people." He

added that it would not have been "productive" for Mr. Jackson to meet with Jewish groups before the primary, because many had "closed minds."

John A. Marino, executive director of the Democratic State Committee, a Cuomo associate who was publicly neutral, said: "The Jackson campaign was woefully done. I would have done exactly what he did."

Mr. Gore's initial "negative campaign was a mistake, and appealing to only one group was a mistake," he said. Mr. Koch? "He didn't help."

David Garth, the Gore advertising consultant and longtime associate of the mayor, said, "It was like a campaign with emphysema," a reference to a Gore advertising budget of \$750,000 in New York. "Gore also suffered from the beat-Jackson syndrome." The mayor? "There's good news, and there's bad news," Mr. Garth said. "Koch gave us a boost at the start, but in the end he may have pushed some people to Dukakis."

## VOTE: Jackson Says He's in Race to the Last Primary ASSESS: Dukakis Favored

(Continued from Page 1)

cautious, saying "nothing in this world" is certain.

But his victory was considered a major step toward obtaining the nomination.

New York voters gave Mr. Dukakis 51 percent of the popular vote, Mr. Jackson 37 percent, Senator Albert Gore Jr. of Tennessee 10 percent and Senator Paul Simon of Illinois 1 percent.

Of the 255 delegates from New York at stake, Mr. Dukakis won 164, Mr. Jackson 89, Mr. Gore 2 and Mr. Simon 0.

On Wednesday, Mr. Dukakis had a total of 1,063.15 delegates, more than half of the 2,082 he needs to win the nomination, according to a count by The Associated Press. Mr. Jackson had 841.1 delegates and Mr. Gore 421.55.

Mr. Simon has suspended his campaign. With aides to Mr. Gore signaling that their candidate would do likewise Thursday, Mr. Dukakis is likely to face only Mr. Jackson in the upcoming primaries. Polls give Mr. Dukakis the advantage in the contest in Pennsylvania on Tuesday and in Ohio and Indiana a week later.

Vice President George Bush easily won on the Republican side in the New York primary, where he ran virtually unopposed. He got almost all of the 134 delegates at stake. He is now only nominally opposed for the Republican nomination by Pat Robertson, the former television evangelist.

On Wednesday, Mr. Jackson said it was too early for him to consider a nomination for the vice presidency. "Let's wait until June 8

to make that kind of judgment," he said, referring to the day after the last major primaries are scheduled. "We're very much in this race. We expect great things to happen."

Mr. Jackson praised Mr. Dukakis for running a "credible and decent" campaign amid the racial and religious anger that characterized the contest. He congratulated Mr. Dukakis for resisting the "temptation to take the campaign to the gutter."

Of the New York campaign, he said, "In this case you had a mayor with a strong supporting cast who led the drive using race and religion as a litmus test."

Mayor Edward I. Koch of New York, who supported Mr. Gore, harshly criticized Mr. Jackson during the primary campaign. The voting Tuesday ended what had been one of the most bitter campaigns among the Democratic primaries. The discord had more to do with what Mr. Koch said about Mr. Jackson than with comments among the three candidates.

The mayor criticized Mr. Jackson from the beginning of the campaign to the end. He declared that Jews and friends of Israel would be "crazy" to back Mr. Jackson who, the mayor charged, misrepresented his actions on the day the Reverend Martin Luther King Jr. was killed 20 years ago.

The criticisms by Mr. Koch unleashed an angry reaction among blacks and many liberal whites, who said the comments further divided a city that was racially polarized. The actions by Mr. Koch drew talk among blacks and

liberals of an effort to find a candidate to run against him in city elections next year.

Mr. Koch later acknowledged his verbal assault on Mr. Jackson had been a mistake and had not helped Mr. Gore.

Mr. Dukakis overwhelmed Mr. Jackson in the suburbs of New York City and upstate. But Mr. Jackson outpolled Mr. Dukakis in New York City by about 6,000 votes out of roughly 900,000 cast.

According to a New York Times-CBS News Poll of 2,100 voters leaving their polling places, Mr. Jackson won 93 percent of black votes, up from 85 percent four years ago. He also won 15 percent of the ballots of whites, who gave him only 6 percent of their votes last time.

But in a contest turned bitter by its emphasis on race and religion, Mr. Dukakis won overwhelming margins among whites. Mr. Dukakis ran especially well among Jewish voters, getting 77 percent of their votes to 16 percent for Mr. Gore and 7 percent for Mr. Jackson.

The poll suggested that many whites, particularly Jews, backed Mr. Dukakis mainly to defeat Mr. Jackson.

Only about 45 percent of those who voted for Mr. Dukakis said they supported him strongly; roughly 50 percent said they backed him with reservations or voted for him to stop another candidate. Nearly 70 percent of the unenthusiastic supporters of Mr. Dukakis had unfavorable views of Mr. Jackson. (AP, UPI, NYT)

ers continue to treat him in a way he considers evenhanded.

Apart from the primaries, Mr. Dukakis should be able to generate additional momentum by gaining support among the so-called super-delegates, more than 600 public and party officials who will be given automatic votes at the convention. Key members of his staff had predicted that victory in New York would bring a harvest of 100 or more endorsements from super-delegates, and other politicians considered that a good possibility.

From a post-New York perspective, it seems clear, as it did not at the time, that Super Tuesday provided the indispensable platform on which Mr. Dukakis has built.

From that point on, it was more or less clear that Mr. Jackson was in the race to stay, with his special assets of overwhelming support in the black community and far greater oratorical intensity than any of his adversaries. What was not fully clear until New Yorkers cast their ballots was whether Mr. Dukakis would be able to keep Mr. Gore in check or whether the two would compete so evenly that the door would be opened to a Jackson triumph.

**Hawke to Visit Washington**

United Press International

**WASHINGTON** — President Ronald Reagan has invited Prime Minister Bob Hawke of Australia for an official visit to Washington.



Prime Minister Yitzhak Shamir at a memorial service in Jerusalem on Wednesday for the soldiers killed in Israel's wars.

## Israel Celebrates, but Protests Continue

By John Kifner  
New York Times Service

**JERUSALEM** — In old battlefields, in cemeteries, in the schools they attended and at the Western Wall, the most sacred Jewish site, Israelis remembered their 16,450 war dead on Wednesday as a three-day holiday began marking the 40th year of independence.

But the celebrations of Israel's triumphs was marred this year by the shadow of the uprising, the protests by Palestinians from the occupied West Bank and Gaza Strip demanding their own state, now well into a fifth month.

Prime Minister Yitzhak Shamir, in ceremonies honoring the Israeli Army, referred to the role the army has been playing in suppressing the Palestinian protests, saying: "We can tell that they know what they are doing now just as important for the country's future as anything they have done in the past and we are just as proud of them now as we were then."

On Tuesday night, the army sealed off all of the territories won in the 1967 Arab-Israeli war, except East Jerusalem, forbidding entrance to Israel by Arabs from the occupied territories until further

notice. Roadblocks on the major highways turned back Arabs coming in and journalists going out.

Much of the Palestinian population was being kept indoors again, with 21 of the 27 refugee districts being kept under curfew in hopes of preventing any outbursts of demonstrations over the funeral in Damascus on Wednesday of the military chief of the Palestine Liberation organization, Khalil al-Wazir, widely known as Abu Jihad.

At least one Palestinian was reported shot to death during a clash in the Gaza Strip between stone-throwing protesters and the army in the Nuseirat refugee district. Information from the occupied territories was limited because of the army's actions, but scattered disturbances and some injuries were reported in Gaza and on the West Bank.

Mr. Wazir's death in Tunis early Saturday morning in a hail of machine gunfire from an assassination squad that burst into his villa and then escaped is widely presumed to have been the work of a clandestine Israeli team made up of Mossad agents, naval commandoes skilled in landing small boats and a special

elite army commando unit reporting directly to the General Staff.

Israel officials, however, have publicly maintained silence. News of the slaying sparked widespread Palestinian protests on Saturday, in which 14 Palestinians were shot and killed.

A long wall of sirens at the stroke of 11 on Wednesday morning marked the tribute to the soldiers, sailors, aviators and security men who died establishing and defending the country.

Independence Day formally began on Wednesday night — the two holidays are linked as a reminder of the price paid for the country — with the lighting of twelve beacons on Mount Herzl, symbolizing phrases in the Declaration of Independence.

For many Thursdays would be spent with families and friends, in the relatively recent tradition of barbecues. On Wednesday night, the streets in central Jerusalem were aswarm with young people engaged in another tradition, hitting each other and anyone else in range over the head with harmless plastic hammers that make a squawking sound.

But, where many of the speeches

and the lengthy commemorative articles in Wednesday's papers would normally have been filled with congratulation and celebration, instead they reflected the current challenge of the Palestinian unrest and, in some cases, uncertainty.

Defense Minister Yitzhak Rabin, speaking at the main memorial ceremony on Wednesday, said that "we know this is one long war that our enemies have forced upon us."

**Shiite Guerrillas Killed**

Israeli-backed militiamen killed two Shiite Muslim guerrillas in a gun battle in southern Lebanon early Wednesday, The Associated Press reported from Beirut.

A police spokesman said the militiamen of the South Lebanon Army ambushed six guerrillas of the pro-Iranian Islamic Resistance as they prepared to launch an attack south of Jezzine.

**2 East Germans Row to West**

Reuters

**HAMBURG** — Two East German men paddled 56 kilometers (about 35 miles) from Mecklenburg to the West German island of Fehmarn.

## TWO LIVELY CENTENNIAL BOOKS TRACE THE SPIRITED HISTORY OF THE INTERNATIONAL HERALD TRIBUNE.

Describing a century of dramatic news and how it was reported.

**"THE INTERNATIONAL HERALD TRIBUNE: THE FIRST HUNDRED YEARS"** is the unique, full-length history of the world's first international newspaper. Author Charles Robertson, a professor of government at Smith College in Massachusetts, spent several years combing through the paper's archives, interviewing its personnel (both active and retired) and then assembling a vast range of materials into a history that reads like biography — the life story of a venerable but still rapidly changing institution.

The paper's full story is presented here: its colorful roots in Paris of the Belle Epoque, its defiant refusal to leave Paris during World War I, its place in the lives of the "Lost Generation" of Americans drawn to Paris in the 1920's, its dramatic closure and exhilarating revival in the 1940's, its transformation into a global newspaper in more recent years.

Robertson's compelling narrative is written with an acute sense of history and a flair for telling detail. Complete with photos, this is a book you will be proud to own and fascinated to read.

*Hardcover, 472 pages, 23 black-and-white photos. Published by Columbia University Press (N.Y.).*

**"A CENTURY OF NEWS"** reprints the liveliest, most important, most interesting pages from the Herald Tribune's archives. The book's large size (36.3 cm X 26 cm) allows for excellent reproduction and makes each story easy to follow. In these pages, you will be able to witness the events of the century from the same perspective as did the original readers.

Here you will meet again the personalities of the age, from Jack the Ripper and Queen Victoria to Buffalo Bill, Winston Churchill and Marilyn Monroe. And you will see again how the great dramas of the day were presented: the sinking of the Titanic, Lindbergh's flight, man's first steps on the moon, the Begin-Sadat summit.

Preceded by Art Buchwald's riotous introduction, these reproduced texts are not limited to front pages, but include detailed coverage of major events, interviews and features. The material is organized by decades, with introductory essays by Bruce Singer, who also compiled the book, setting the stage for each section (and explaining briefly how the Herald Tribune evolved during the period). In addition, a display of advertisements from the era provides a nostalgic and often amusing ending for each chapter.

"A Century of News" is a book readers will browse in again and again, each time discovering something new and rewarding.

*Hardcover, 192 pages, 188 pages of reproductions and illustrations. Published with Thames & Hudson (London) and Harry N. Abrams (N.Y.).*

---

**Herald Tribune**

International Herald Tribune, Book Division, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Payment is by credit card only. All major cards accepted.

(Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)

Please charge to my credit card:  Access  Visa  Amex  Eurocard  Diners  MasterCard

Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_ (Signature for credit card purchase)

Name on Block Letters \_\_\_\_\_ Address \_\_\_\_\_ City/Code/Country \_\_\_\_\_ 21-4-88

## NEW AMERICAN ART A SPECIAL EXHIBITION

The Mail Galleries  
London: April 15th to 23rd

This unique exhibition provides an exciting opportunity to view the extraordinary diversity and vitality of recent American abstract art.

The Exhibition is being held in aid of the American Aid Society, a non profit, institution founded in 1925 to help American tourists in distress. All proceeds go to the Society. All works have been donated by the artists.

Mail Galleries,  
The Mail, London, S.W.1.  
Tel.: 01-930 6844.

---

Subscription information: Each week 2 Gam, 4 Gam, 6 Gam. Pick your option. FREE EACH WEEK. Make Cheque United States Mail to: United P.O. 1118.

مكزامن الناصيل

SCIENCE

Swarms of Locusts Threatening North Africa

By Paul Delaney

TUNIS — Treating it as an invading army, Tunisia, Algeria and Morocco have mobilized to fight the most serious infestation of locusts in over 30 years.

Billions of the insects have already caused extensive damage to crops and are threatening to inflict great harm to the delicate economies of North Africa. Millions of dollars have been spent in the effort, and much more — \$150 million, one official estimated — will be required from meager treasuries.

The invasion is drawing increasing worry from southern European countries, too. They fear the highly unpredictable and mobile insects will be carried across the Mediterranean Sea if not stopped in North Africa.

The European Parliament has urged members to help, and the European Community has contributed \$2.5 million. Aid is being provided by at least a dozen institutions and countries, including the United States, Canada and the United Nations.

The locusts are an immediate threat to this city. Millions are within a few miles; a few have been spotted on lawns and swarming about. But the biggest concentrations in Tunisia are southwest of here, breeding and swarming, waiting to travel wherever air currents push them.

Millions more are concentrated in the Atlas Mountain in Morocco where high peaks have acted as a barrier to their advance toward the country's breadbasket

and the cities of Casablanca, Rabat, Fez and Marrakech. "We are in a state of general alert," said Edouard Saouma, director general of the United Nations Food and Agriculture Organization. "Swift and decisive action is needed to avoid a major regional food crisis."

There are also high concentrations of the locusts in the desert of Algeria. Experts say the normal pattern would be for the locusts to turn east and head back this way, threatening this country more as well as others. Some of the insects have also been spotted in Italy and Malta in recent weeks.

The threat has forced some neighboring countries who have not enjoyed the best of relations into closer cooperation, though not as close as some officials believe is necessary. Algeria and Morocco have momentarily put aside their differences over the Polisario war in the Western Sahara to join in the effort to stem the spread.

A Moroccan official said the nations of the region were discussing establishing a permanent agency specially trained in the latest techniques and utilizing the most modern equipment to battle the locusts.

Representatives of the three countries, along with those from Libya and Mauritania, have held meetings, although some backbiting has been evident. For example, officials of each have questioned if the others are making enough of an effort.

In Tunisia, the government has set up a central coordinating committee and what is in effect a war room, or command center. The committee of officials from such offices as the Agriculture and Interior minist-



The situation changes daily, depending on the weather, the temperature, wind velocity and direction," remarked an army captain. "They move during the day, not at night. We attack them with insecticide on the ground at night and in the air during the day. We have enough equipment and

insecticide at present to stop them, if there are no new concentrations, but there are a lot of them in Algeria ready to head this way."

One expert said he believed that 90 percent of all the locusts in the world were now in North Africa. An official of the Agency for International Development explained that the locusts were part of a normal, continuing cycle that originated in India and Pakistan and headed west over Africa and then back east, breeding and devouring crops.

Millions, sometimes billions of locusts take to the air, usually in the morning, forming what resemble storm clouds that can blacken the sky.

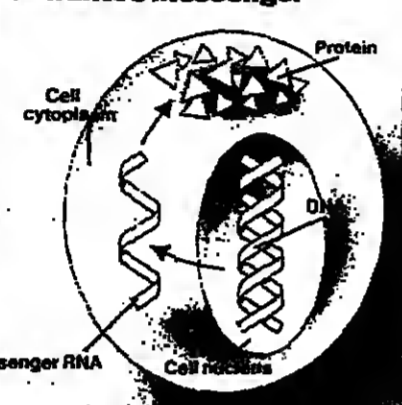
Two years ago, they were a major threat to East Africa, although the number was far lower than this year's outbreak. Civil strife in several of the countries, Sudan and Ethiopia, for example, hampered efforts to control the insects.

"Small numbers are no threat," the AID official said in Rabat. "But given the right climatic condition, they breed like beehives, become gregarious, multiply and migrate. Every 10 to 15 years a combination of weather factors favors breeding."

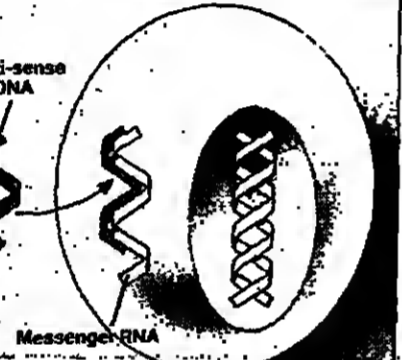
"There's been tremendous rainfall this year in areas that only get a few drops normally. They were a serious problem last year between October and January. But given the numbers this year, things are really bad." Officials fear that after the locusts feed on plentiful vegetation this year, they will continue to be unusually abundant for years to come.

Intercepting an Unwanted Messenger

Genes, small segments of DNA, contain the blueprints for proteins. When a gene is active, enzymes in a cell make a single-stranded copy of the gene, known as messenger RNA, that leaves the cell nucleus and carries instructions for the formation of a protein. In cancer cells, genes cause production of proteins that make cells grow too fast.



An experimental strategy against cancer uses a synthetic strand, called anti-sense DNA, that exactly matches part of the messenger RNA. Inside the cell, the synthetic strand attaches itself to the RNA and prevents the cell from making the cancer-related protein.



A New Chemotherapy for Cancer?

By Gina Kolata

SMALL but growing group of cancer researchers is hoping to develop a radically new form of cancer chemotherapy. Instead of looking for better ways to kill cancer cells, these scientists are seeking to block the genes that make the cells proliferate wildly.

The research, with synthetic substances known as anti-sense DNA, is still far from clinical application, but some experts think it holds great promise.

"This is a whole new chemotherapy," said Dr. Vincent DeVita, director of the National Cancer Institute. "It is coming along very, very rapidly. The technology is so superb that now every molecular biologist is a potential therapist."

The method may also be used to block genes that make cancer cells resistant to chemotherapeutic drugs, and might block viral genes that are necessary for viruses to grow in infected cells. In addition, several researchers are experimenting to determine whether anti-sense DNA could prevent the AIDS virus from duplicating.

The AIDS work is at a very early stage. "I think it is an interesting idea," said Dr. Samuel Broder, who

directs research on new AIDS therapies at the National Cancer Institute. "But in AIDS there are a lot of other drugs that are likely to be tested in patients much sooner."

Anti-sense DNA blocks the action of genes indirectly by sticking to and blocking copies of genes, called messenger RNA, that direct the formation of proteins in cells. For example, in cancer cells, genes that direct the cells to make growth-promoting proteins are active. The cells churn out these proteins, and the proteins make the cells divide too rapidly.

The first step for the cancer cells in making these proteins is to copy the gene, a stretch of DNA, into a strand of messenger RNA. The cell reads the genetic message of the messenger RNA and synthesizes the growth-promoting proteins. Anti-sense DNA is a strand that exactly matches a part of the messenger RNA. It enters the cell, sticks to part of the messenger RNA, and prevents production of the undesired proteins.

When they first tried to use anti-sense DNA several years ago, researchers were frustrated by the natural tendency of cells to degrade foreign DNA. As soon as a piece of anti-sense DNA entered a cell, en-

zymes in the cell would chop it up. But Dr. Paul Miller and his colleagues at Johns Hopkins University discovered a way of modifying the anti-sense DNA fragments so that they would remain intact when they entered cells.

Other researchers devised variations so that now, "there are an almost infinite variety of possible ways to attach different groups to DNA," said Dr. Jack Cohen of the National Cancer Institute.

In their studies of cancer cells, researchers have focused so far on blocking genes that make the cells grow and divide rapidly, without the usual controls.

For example, Dr. Cohen, Dr. Leonard Neckers and Dr. Cy Stein of the National Cancer Institute and Dr. Eric Wickstrom of the University of South Florida in Tampa have been able to stop a cancer-causing gene called myc. It is a normal gene that often shows up in multiple copies or in abnormal positions in cancer cells where it can avoid the usual controls on its functioning.

The gene is ordinarily inactive when cells are not growing but is always active in growing cells, Dr. Neckers said. In many kinds of cancer cells, the gene is grossly

overactive, so that the cells duplicate much faster than normal.

Almost any type of cancer might turn on "when myc is overactive," Dr. Wickstrom said.

Other investigators are testing anti-sense DNA against AIDS. They find that they can block viral genes and prevent the virus from replicating in cells in laboratory dishes.

But Broder said he was not sure that the anti-sense DNA would be a practical therapy for AIDS. Even if it suppressed the virus in patients, it is very expensive because it is made with laboratory equipment that is not meant to produce the huge quantities needed for therapeutic applications. Moreover, it is not a cure, he said. In order to keep the virus suppressed, a patient would have to continuously take the drug. "Clinical researchers have to be very cautious before they say anything is impossible," Dr. Broder said. "Is this possible? The answer is yes, it's definitely possible. But whether you'll ever be able to apply this is a much more complicated question."

In the meantime, Dr. Cohen and others are optimistic. "There are still many questions but they do seem to work," he said.

WIN \$40,000,000 That's Forty Million U.S. Dollars!

THE NEW YORK LOTTERY Pick Your Own Numbers Play Lotto 6/54 Strike it Rich in America's Biggest Lottery

Millions of U.S. Dollars are won regularly playing the World Famous New York Lottery. In fact, the New York Lottery has AWARDED BILLIONS OF DOLLARS to people who have won — including its biggest Jackpot of U.S. \$41,000,000. Imagine all the things you could do and enjoy with \$41,000,000. Every year, people from all over the world go to New York just to play the New York Lottery. Now, you too can play the World's Greatest Lottery and win a MULTI-MILLION DOLLAR JACKPOT.

Playing Lotto 6/54 is Easy. Fast Service. You Will Be Notified Immediately When You Win. Here's How You Can Play. Includes details on how to play, prizes, and contact information for United States International Marketing.

Subscribe Now! Think what a jackpot of \$40,000,000 could mean to you — You must play to win. Includes a table for selecting numbers (CIRCLE SIX NUMBERS FROM 1-54) and a table for choosing game options (EACH WEEK, 16 WEEKS, 26 WEEKS, 52 WEEKS).

IN BRIEF

Acid Moss Linked to Tree Deaths

WASHINGTON (WP) — It isn't always acid rain itself that kills trees, a University of Colorado scientist has found. Often it is the "lethal moss" that thrives in soils made more acid by the rain. If mosses grow too thickly under a tree, he determined, their ability to absorb and hold water can keep the soil so waterlogged that the tree roots get little or none of the oxygen they need. This is the same reason so many houseplants die from overwatering.

Lightning Makes Nitrogen Usable

WASHINGTON (WP) — Scientists appear to have answered finally one of those basic, simple questions about how the world works that has long eluded them: What is the source of the nitrogen compounds that living things need to survive? Nitrogen comprises 78 percent of the Earth's atmosphere, and all living things need it as all the fundamental molecules of life contain it. But, oddly, most living things can't just take what they need out of the air. The nitrogen to be useful, must be "fixed," or combined with other atoms that allow it to be taken up and used by living cells.

Wild Bean Gene May Foil Weevils

NEW YORK (NYT) — A gene found in a wild bean plant from Mexico may soon be added to the list of new biological approaches to pest control. By breeding the gene into cultivated bean plants, United States researchers have been able to introduce a natural resistance to the bean weevil, a major threat to stored beans. Unless stored beans are fumigated with a chemical pesticide, weevils often eat as much as 15 percent of them before they reach the pot. Since dry beans provide half or more of the protein for much of the world's population, an inexpensive way to prevent such losses is of major social and economic significance.

Enzyme Clue to Brain Cell Movement

NEW YORK (NYT) — Sperm cells and brain cells use the same enzyme for movement, a recent study has shown. Dr. Richard Vallee and his associates at the Worcester Foundation for Experimental Biology in Shrewsbury, Massachusetts, have found that a protein they had previously discovered in brain cells is actually the same as an enzyme that is in the tails of sperm cells and that is used to produce their whip-like movements. Reporting in a recent issue of the British journal Nature, Dr. Vallee and his colleagues proposed that the sperm enzyme, dynein, could be responsible for movements necessary for cell division and for the transport of chemicals within brain cells and other cells.

GET YOUR BOARDING PASS 30 DAYS BEFORE YOU LEAVE HOME.

AND EVEN CHOOSE YOUR SEAT 11 MONTHS IN ADVANCE.

American Airlines Something special in the air. Includes an image of an American Airlines airplane and contact information.





OPINION

Dukakis: Climbing the Hill One Ridge After the Other

By David S. Broder

NEW YORK — Andy Spano, the Westchester County clerk, has been around Democratic politics long enough to have a keen ear for the nuance of language. Six days before the New York presidential primary he told me, "The word you hear most often about Michael Dukakis is, 'He's acceptable.' That's not a kiss on the mouth, but I guess if enough people say you're acceptable, at some point you become inevitable."

That is exactly what has happened with the governor of Massachusetts. His victory in Tuesday's New York primary, achieved with a minimum of enthusiasm, has almost assured him of winning the

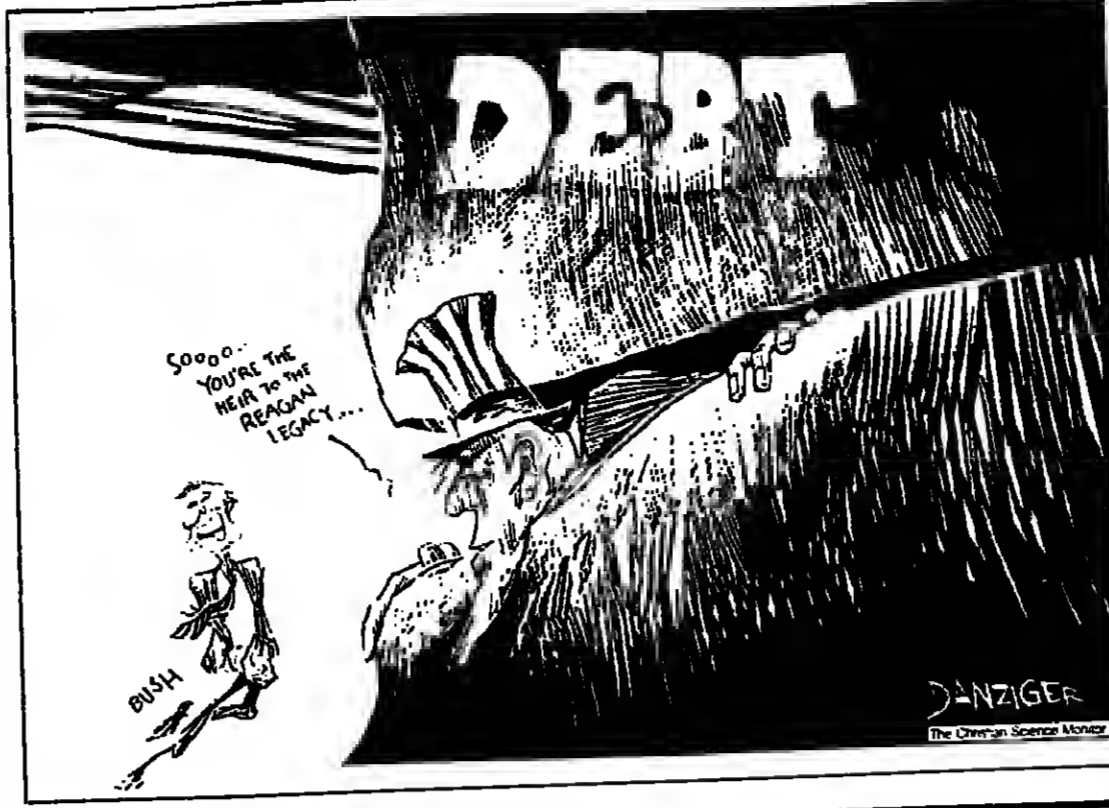
Democratic presidential nomination, barring some massive gaffe on his part. Mr. Dukakis has moved through more than 40 contests, has eliminated six of his original seven challengers and has made himself a formidable contender for the general election without once rousing the emotions of an audience which did not contain large numbers of his fellow Greek-Americans.

He said when he announced his candidacy last April 29 that the race was a marathon and he was a guy who had run the Boston marathon while still at Brookline High. To call him a plodder is to give him a label he may not cherish. But in the words of the old refrain, he has won largely by "keepin' on keepin' on."

In retrospect, it is being said of Mr. Dukakis that he beat a field of mediocrities and that his victory was inevitable. They were not and it was not. When he got into the race, Gary Hart was the front-runner and Mario Cuomo was the only man that many Democrats could see as an alternative. Mr. Hart dithered himself out of the race and Mr. Cuomo dithered so long that he overtook it. But that certainly did not make Mr. Dukakis the favorite.

He was a little guy with a big nose and an odd-sounding name — anything but the stereotypical presidential model. For a long while he trailed Jesse Jackson in the polls. His rivals were either private citizens or Capitol Hill legislators with unlimited passes, while he was a governor with a mischievous legislature who had to put in his hours at the State House every week.

The political calendar was stacked against him. The first contest, which would draw heavy media attention, was in Iowa, whose farm and rural issues were far outside the ken of a city boy like Mr. Dukakis. The biggest battleground was Super Tuesday in the South, where an ethnic liberal from Massachusetts would appear to be a fish out of water. In fact Mr. Dukakis was beaten a lot



LETTERS TO THE EDITOR

People Beyond the Beltway

I was disturbed by a recent statement by Elliott Abrams, the U.S. assistant secretary of state for inter-American affairs, regarding U.S. sanctions against Panama's General Manuel Antonio Noriega. Mr. Abrams expressed surprise that Mr. Noriega remains in power in Panama whereas Ferdinand Marcos of the Philippines and Jean-Claude Duvalier of Haiti fled under the pressure of U.S. economic sanctions similar to those currently being applied against Panama.

I am not familiar with events in Haiti, but as an American living in the Philippines I would like to point out that U.S. pressure was only one of the factors contributing to Mr. Marcos's overdue departure. If Filipinos had not filled the streets to prevent Mr. Marcos from using military force against the rebels in Camp Crame and Camp Aguinaldo, Mr. Marcos might still be president of the Philippines. U.S. pressure was helpful, but it was not the reason Mr. Marcos left Manila. He left because he had alienated the people to the point that they were willing to risk their lives to ensure his departure.

Another arrogant implication of Mr. Abrams's statement is that all Third World countries are alike and therefore react alike to U.S. policy initiatives. Let us hope that the failure of U.S. policy in Panama will cause Mr. Abrams to re-examine his assumptions and recognize that Third World countries have unique histories, people and leaders.

ROBERT S. TOWNSEND, Manila.

I was shocked by Elliott Abrams's cynical remarks concerning Panama. The attitude of the U.S. administration seems to be that it is the teacher and all other countries on Earth are pupils, whom their teacher reprimands and keeps under

Keep Them Accountable

Hypatia A. Vourloumis (Letters, April 5) criticizes the American press and public for riding herd on leaders and their aides. As an American I am proud that governmental illegals are publicized. In most parts of the world they are not. If a society does not punish unlawful leaders, it is certainly not a democracy.

DAVID BECK, Venice.

Ozone and AIDS

Seeing editorials on the ozone shield and AIDS side by side (March 25), I had this thought: Ultraviolet light that is not screened out by the ozone shield may cause impairment of the immune system, but what is AIDS if not an immunity impairment?

WOLFGANG ZUCKERMAN, Quissac, France.

Skinned for the Fur of It

Regarding "Beastly Female Behavior Has a Fur-Wearer Zelding" (Meanwhile, April 8) by Yona Zeldin McDonough:

While I agree that street abuse is not the way to achieve the goals of non-fur-wearing persons, the writer misses the point. The slaughter of farm animals according to strictly regulated methods that ensure minimum suffering cannot be compared with the brutal killing of wild animals by means of traps that

Helping Out in a Poor City Can Make for a Rich Year

By Arthur Houser

BOGOTA — I left my apartment, less than a block from the U.S. Embassy here, to go to dinner. There was an explosion. Bomb, I thought immediately. A sudden change in the flow of traffic confirmed the suspicion. A missile, launched from a taxi parked on the corner where I buy the morning paper, had rocked the embassy. Dressed to blend into the crowd, in dark colors with a small cap and umbrella, I stood in the street surveying the damage. Slight.

Earlier the same day, in Ciudad Kennedy, a barrio of 1.5 million people southwest of central Bogota, student protests related violence in rural areas faster than jobs or services in the city can be provided. Seeking security, they find malnutrition, fear and more crime and violence.

Factions of revolutionary groups operate throughout the city, especially in the poorer areas such as Ciudad Kennedy, where anti-U.S. sentiment is rife. Abused, abandoned children sleep in twos or threes inside doorways on pieces of cardboard, wrapped in plastic bags, often in a gine-smelling stupor.

"It used to be Americans couldn't come here at all. Now you're here, so things must be better," a colleague said of the barrio. I couldn't disagree with the logic, but things are hardly better.

Poverty is a compelling reason to be active in Colombian education. So is the joy of teaching students to love language, individuality and freedom of expression in a climate of fear and pressure to conform. So is the possibility of changing their perception of Americans, simply by demonstrating an appreciation for Colombian culture. Education is the dream that flies overhead, like a magic carpet, promising a better future.

The children, especially the younger ones, are enthusiastic, and at times their affection is almost overwhelming. They ask pointed questions. Why do Americans treat average Colombians like criminals when they arrive in the United States? They do not see the logic in punishing honest citizens for the crimes of a tiny minority. After all, they say, the drug problem originates with a large U.S. demand filled by only a few Colombians.

One of my seventh graders asked me how I felt when I saw graffiti saying, "Get out, Yankee robber."

"I think I might feel the same if I were Colombian," I told him. "People are simply uninformed. Many drugs are simply unaffordable. Many Colombians think all Colombians are drug dealers."

Another student once asked me, "If you're from a country of well-to-do people, why do you enjoy teaching with people of a lower class?"

I told her that all three children in my class had become teachers; we had been raised to want to be involved. And I reminded the students that every day they were teaching me more about Colombia and that they were largely responsible for "el año más rico de mi vida" — the best year of my life. Besides, they had learned a great deal of English.

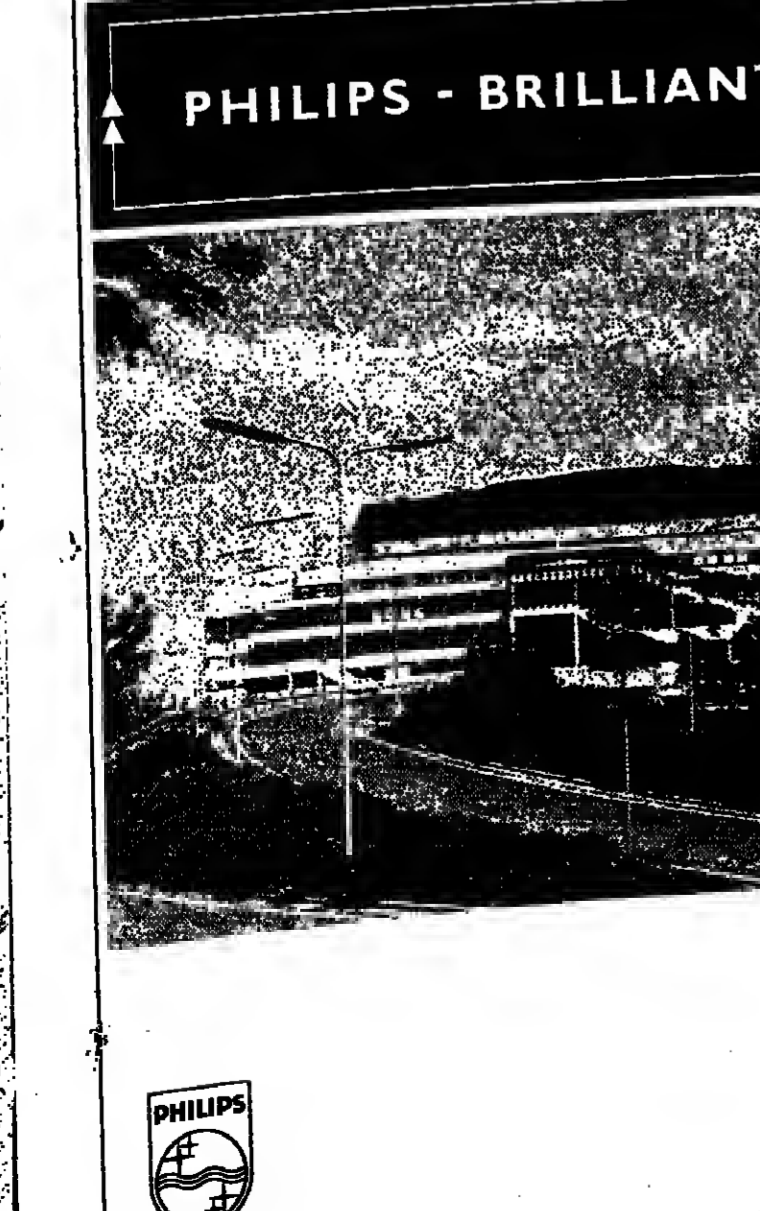
They should be proud, considering the odds against them. Less than 50 percent reach sixth grade, and by tenth grade only the cream of the crop remains. A sixth grade student scrawled these words on the bottom of a failed test: "Adiós mi futuro!"

My students scoff loudest when I say, "Not only is teaching the most revolutionary work you can find, but I might be more revolutionary than some of you."

The writer is working in Colombia in a Fulbright exchange program. He contributed this comment to the Los Angeles Times.

The new Shun Tak Centre and Macau Ferry Terminal complex, including the 870-room Hotel Victoria, is a striking example of innovative building technology. Its two 41-storey towers are among the tallest high-rise steel structures in Hong Kong. And the Macau Ferry Terminal, designed to handle up to 15 million passengers a year, is the world's busiest marine transport facility. The careful blending of function and aesthetics by the architect Spence Robinson is complemented with high technology lighting from Philips. Cast-effective lighting that combines excellent colour rendition with high light output, yet uses 30% less energy. And the integration of general and accent lighting enhances the futuristic functional design of this superior

PHILIPS - BRILLIANT LIGHT AND PERFECT SOUND FOR HONG KONG AND VIENNA.



landmark. In conference centres, too, you will find Philips technology helping to create the right environment. The new Austria Centre in Vienna, with 14 conference halls and a total capacity of 9,000, is a fine example. Up to 4,000 delegates in the main hall can enjoy perfect conference conditions, thanks to a computerized directional sound system from Philips. In two other halls our multichannel reverberation systems tailor the acoustics for music, opera, theatre or speech. And to ensure the best in sound and vision, we supplied the Centre's colour TV studio, master antenna TV distribution system and staff intercom. Lighting, sound and vision technologies — perfected by Philips and applied in projects the world over.

PHILIPS. THE SURE SIGN OF EXPERTISE WORLDWIDE. PHILIPS CORPORATE MARKETING COMMUNICATIONS, EINDHOVEN, THE NETHERLANDS.



NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 a.m. volume, AMEX 4 a.m. volume, OTC 4 a.m. volume.

NYSE Index table with columns for High, Low, Close, Chg.

Wednesdays NYSE Closing Via The Associated Press

AMEX Diary table with columns for Advance, Decline, Total Issues, New Issues.

NASDAQ Index table with columns for Composite, Industrials, Finance, Insurance, Utilities, Transp.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Advance, Decline, Total Issues, New Issues.

Odd-Lot Trading In N.Y. table with columns for Buy, Sell, % of Total.

Dow Jones Averages table with columns for Industrials, Finance, Insurance, Utilities, Transp.

Standard & Poor's Index table with columns for Industrials, Finance, Insurance, Utilities, Transp.

NASDAQ Diary table with columns for Advance, Decline, Total Issues, New Issues.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Most Actives table (continued) listing various stocks and their prices.

NYSE Slips in Modest Trading

NEW YORK — Prices on the New York Stock Exchange retreated Wednesday in light trading as worries about inflation and the previous session's sharp reversal sent investors to the sidelines to await a change in the negative sentiment.

Before the market opened Wednesday, the government reported that inflation at the retail level, as measured by the Consumer Price Index, rose 0.5 percent in March, slightly more than most Wall Street projections of 0.4 percent.

NYSE Most Actives table (continued) listing various stocks and their prices.

NYSE Most Actives table (continued) listing various stocks and their prices.

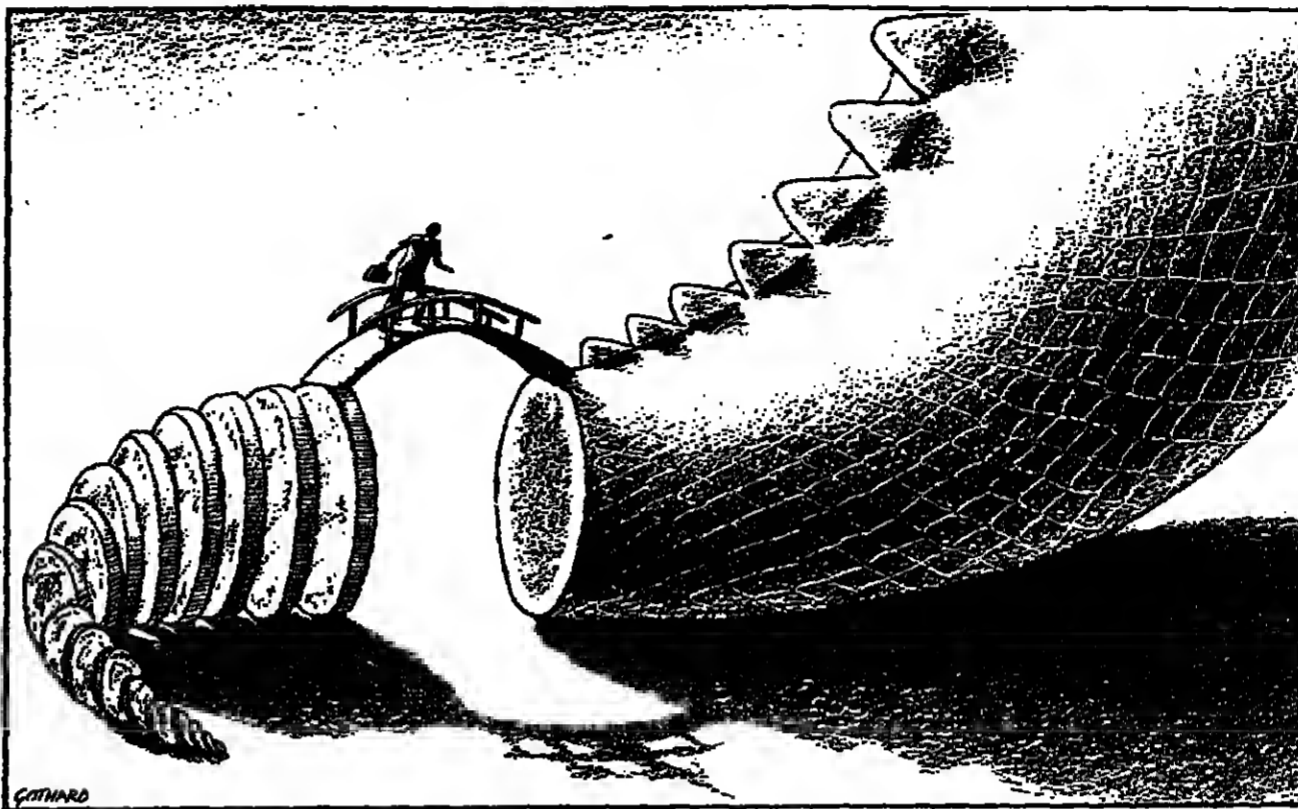
NYSE Most Actives table (continued) listing various stocks and their prices.

AMETEK advertisement with image of industrial furnaces and text: Industrial furnaces... use less fuel with Ametek's electronic system...

Vertical text on the far right edge of the page, partially cut off.

# Taiwan's New Offensive

## Converting China With Missionaries of Capitalism



Taiwan has the world's second largest foreign exchange reserves, behind Japan. The reserves are now estimated at about \$74 billion.

But Taiwan's business people are being driven to seek new markets because of a rise in Taiwan's labor costs and quotas as well as anti-dumping regulations and other measures designed to protect the U.S. economy.

Some of Taiwan's shoe manufacturers, for example, have moved their equipment to China in order to bring the costs down. Just a few years ago, it would have been hard to believe that businessmen from staunchly anti-Communist Taiwan would talk openly about investing in China, but they are doing it now.

Many Taiwanese businessmen have worked through Hong Kong companies to trade with the mainland. The Taiwan government allows such indirect trade, but has so far banned direct trade.

Jaw Shau-kong, a KMT legislator, argues that if Taiwan can improve the lives of people on the mainland through trade, it will help to protect Taiwan against a Communist attack or takeover.

"We should go on the economic attack and influence the mainland," said Mr. Jaw at the end of last year.

Not long ago, such a view would have been considered naive and possibly treasonous. But Mr. Jaw presented his views in the presence of a high-ranking KMT official, who voiced no dissent. Officials appear to have become used to such comments.

A National Taiwan University analyst estimated that two-way trade between China and Taiwan, passing through Hong Kong and other points, more than doubled last year, reaching a value of nearly \$2 billion.

But while economics is the most obvious force driving the KMT to revise its once rigid mainland policy, political motivations are involved as well.

The party is possessed of a missionary-like zeal to convert the mainland. But in some areas it is adopting a more pragmatic approach, trying to re-enter international organizations that Taiwan either quit or boycotted when the Communists joined, such as the Manila-based Asian Development Bank.

Taiwan will try to persuade nations that cut ties with the island in favor of recognition of Beijing to opt for "dual recognition," whereby they can maintain diplomatic links with both Taiwan and China.

Superficially, the two systems resemble each other in many ways. The KMT is debating political reforms similar to those being debated by the Communists in China. In both

Continued on page 14

The once inflexible "three noes" policy has become a policy of two and a half noes.

By Daniel Southerland

**T**AIPEI — People used to scoff at tiny Taiwan's claims that it would someday retake China's Communist mainland. But Taiwan is now on the offensive, initiating the biggest changes in the island's once hostile relations with the mainland since 1949.

The breakaway province of Taiwan and the mainland are still technically locked in a state of war. But Taiwan's offensive is a peaceful one. It allows businessmen to compete for mainland trade and uses Taiwan citizens visiting the mainland to win over hearts and minds.

If liberal members of the ruling Kuomintang (KMT), or Nationalist Party, have their way, Taiwan will use its offensive to help modernize the mainland and convert many Chinese there to Taiwan's way of thinking about capitalism and a more open political system.

President Chiang Ching-kuo of Taiwan decided on the first breakthrough — lifting a ban on visits to China — late last year. It has proven to be a highly popular move.

Since Mr. Chiang's death in January, Taiwan's new president, Lee Teng-bui, has continued to turn a blind eye to burgeoning unofficial contacts between Taiwan and China.

When Mr. Lee, 65, took power just three months ago, it was widely assumed that he was a compromise choice for president who would serve as a figurehead until a stronger leader emerged.

Scholarly and U.S.-educated, Mr. Lee is the island's first Taiwan-born president, heading a government still dominated by a minority of mainland-born Chinese who fled to Taiwan when the Communists took power in 1949.

While the popular Mr. Lee now appears to

be a leader in his own right, some observers say he has yet to prove that he can effectively direct and manage Taiwan's society, politics and foreign relations in a time of rapid change.

While insisting that there is no basic change of mainland policy, Mr. Lee is leading a review of that policy that is clearly aimed at making it more flexible and adaptable.

The review, due to be concluded at the end of this month, is expected to recommend a further expansion of travel to the mainland, allowing everyone except high-ranking government officials and active military personnel to travel there.

In the latest sign of a more liberal attitude, Taiwan announced earlier this month that it will allow mail to be sent to the mainland through Hong Kong, a practice that is already widespread but which the authorities in Taipei have never officially endorsed.

According to the well-informed Taiwan newspaper China Times, Mr. Lee and his senior colleagues have also decided in principle to relax restrictions on imports of raw

materials, such as coal and cotton, from the mainland.

Mr. Lee has said that Taiwan would study the possibility of sports and cultural exchanges.

And mainland Chinese students and scholars studying abroad will be invited to visit Taiwan for a first-hand look at its progress, officials say.

At the same time, Mr. Lee has tried to keep a brake on the "mainland mania" that is sweeping Taiwan, as more contacts are made and more objective information about developments in China is made available to the Taiwan public.

Mr. Lee said recently that Taiwan still had "serious national security concerns" when it came to dealing with China, indicating that the government wants to set the pace and keep contacts under control.

Mr. Lee has continued to emphasize that contact with China has to be on a private basis, with no change in Taiwan's policy of no official contact, no negotiation and no compromise with the Communists.

### IN THE NEWS

#### Oct. 15: Ban Is Lifted

**On Travel to China**  
A 38-year ban on travel to China is lifted, allowing Taiwan residents to visit relatives on the mainland. The governing Nationalist Party said it acted for humanitarian reasons.

#### Dec. 6: Opposition Scores

**In Legislative Elections**  
The Democratic Progressive Party, formed in defiance of martial law, wins nearly a quarter of the overall vote in legislative elections.

#### Jan. 14: President Dies;

**Taiwanese Takes Office**  
President Chiang Ching-kuo dies, ending a Nationalist dynasty and arousing anxiety in China and the United States over the island's political development. Vice President Lee Teng-bui, a native Taiwanese, is sworn in as president.

#### Jan. 18: 2 Dissidents Jailed

**Tsai Yo-chuan and Hsu Tsao-teh, two prominent dissidents advocating independence from China, are sentenced to 11 and 10 years in jail respectively.**

#### Feb. 4: Reforms Allow

**Parliamentary Elections**  
The Nationalist Party approves reforms that will allow Taiwanese to elect all members of parliament. The National Assembly and the Legislative Yuan, the highest lawmaking body, are now dominated by mainland Chinese who have not faced re-election in 38 years.

#### March 24: Taiwan Stops

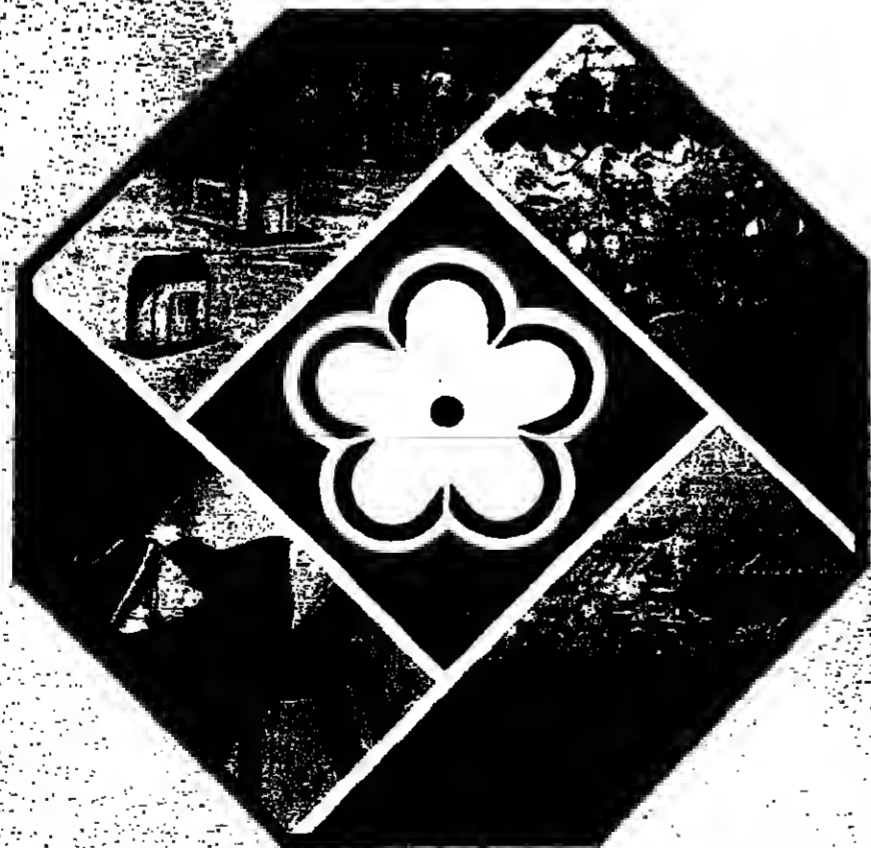
**Atomic Research**  
Under pressure from the United States, Taiwan stops work on a secret installation that could have been used to obtain plutonium. U.S. officials said the work violated Taiwan's commitments to the United States that it would undertake no research for developing atomic weapons.

### EXPERIENCE THE TAIWAN DIMENSION Progress with Tradition

On the beautiful island of Taiwan spectacular economic growth has not obscured the cultural richness of ancient Chinese civilization. Not only the unique treasures on display in the National Palace Museum but the fascinating, colorful display of living China beyond your luxury hotel room. The festivals and fireworks of a modern society celebrating the past. And from Taipei, home of the new Taipei International Convention Center, the scenic wonders of this tropical island are easily accessible.

Experience the "Taiwan Dimension", distinctly modern, succinctly Chinese.

TAIWAN, MEETING YOU ALL THE WAY

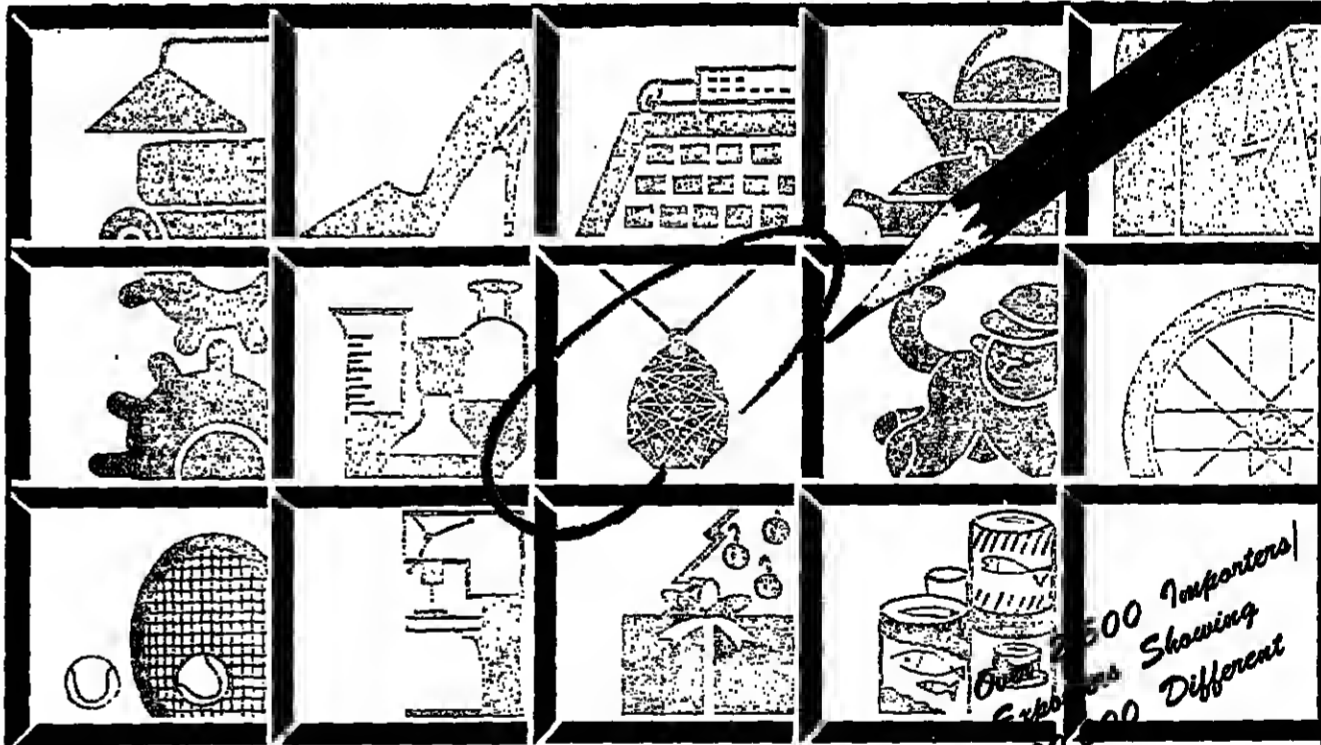


SCHEDULED TO OPEN EARLY 1989



台 議 中 心  
**TAIPEI INTERNATIONAL  
CONVENTION CENTER**  
1, Hsin Yi Road, Section 5, Taipei, Taiwan, R.O.C. Tel: (02)725-1111 Telex: 26408 BACTD

WRITE TODAY FOR MORE INFORMATION. THE DETAILS WILL AMAZE YOU.



500 Importers  
Showing  
100,000 Different  
Products

### A WHOLESALER'S SUPERMARKET

NO SERIOUS BUYER CAN AFFORD TO MISS  
THE TAIPEI WORLD TRADE CENTER

During its first year of operation Taipei's new multimillion dollar World Trade Center attracted 1.7 million visitors and more than 100,000 buyers. Fourteen major international trade shows were held in its spectacular exhibition atrium, and 20 are already scheduled for the coming year.

For buyers, the Taipei World Trade Center has it all: multilingual staff, computerized communications, intercontinental data base services through the World Trade Center Network, and restaurants; 2,820 display booths and 1,027 permanent showrooms displaying the products of over 2,500 importers and exporters. Everything from machine tools to ladies garments, all under one roof in Taipei, the heart of the Asian Pacific marketplace.

Your window to Taiwan. Ours to the world  
**TAIPEI WORLD  
TRADE CENTER**

5 Hsin Yi Road, Sec. 5, Taipei 10503, Taiwan, Republic of China  
Tel: (02)725-1111 Telex: 28294 TPEWTC & 10571 TPEWTC Teletax: 886-2-7251314  
Operated by: China External Trade Development Council  
Tel: (02)725-1515 Telex: 21575 CETRA Teletax: 886-2-7168783

For further information, contact Far East Trade Service, Inc., Branch Office in Vienna Tel: (0222)513-1933, 513-1934; Paris 42660512, 42660532; Taiwan Trade Service, Düsseldorf (021)94611; Taiwan Products Promotion Co., Ltd., London (01)578-0785; FEIS Rotterdam Office, Rotterdam (010)4140980, 4140422; Centro Commerciale Per L'Estremo Oriente, Milano (02)286-3084, 285-3790

#### Taipei World Trade Center Show Calendar:

- Taipei Int'l Gift, Jewelry & Stationery Show  
March 22-25, 1988
- Taipei Int'l Sporting Goods Show  
April 11-15, 1988
- Taipei Int'l Cycle Show  
April 11-15, 1988  
bicycles, motorcycles and spare parts and accessories
- Taipei Int'l Food Industry Show  
April 22-26, 1988
- Taipei Int'l Footwear & Leather Goods Show  
May 3-7, 1988
- Taipei Int'l Auto Show  
May 21-25, 1988  
automobiles and all kinds of parts
- Taipei Int'l Hardware & Building Materials Show  
May 21-25, 1988
- Computex Taipei  
June 6-12, 1988  
computers, computer peripherals, software services, office automation equipment, telecommunications equipment
- Taipei Int'l OEM/Subcontracting Show  
June 24-25, 1988  
electronics and electrical products, metal products, machinery and vehicles, plastic and rubber products, metals and alloys
- Taipei Importers Fair  
August 27-September 4, 1988  
importing countries (non-ECU) wanting to export their products to or attract investment from Taiwan
- Taipei Int'l Toy Show  
September 27-October 1, 1988





# Converting China With Contacts

Continued from page 11

Taipei and Beijing, the main idea is to curb the party interference in the day-to-day running of government.

Beijing has urged reunification under a "one-country, two-systems" approach that would allow Taiwan to maintain its army and capitalistic system.

But pluralistic political change is coming so much faster in Taiwan that it is intensifying the existing differences between the two systems. As some observers see it, Taiwan is becoming more "indigestible" for China.

While the KMT tolerates a small but vigorous opposition party, which is still technically illegal, the Communists continue to reject the idea of any meaningful multi-party system.

The KMT's new confidence is based partly on prosperity. Taiwanese officials announced last year that personal income had reached an average of about \$5,000 a year. That is more than 15 times the average income in China.

In lifting the ban on travel to the mainland, Taiwan seems to have several aims in mind. Taiwanese officials want to maintain Taiwan's identity with China, some sources say, thus countering demands that Taiwan formally declare itself independent.

From Taiwan's point of view, the visits to the mainland have been a great success, because they have convinced many Taiwanese that Taiwan is indeed vastly superior to the poor and overpopulated mainland. Mainland citizens have made so many demands on their wealthier Taiwan relatives that China's Communist Party chief, Zhao Ziyang, recently issued his own version of a three noes policy.

According to the official People's Daily, Mr. Zhao said there should be no political propagandizing of Taiwan visitors, no asking for money or gifts and no defrauding the Taiwanese.

In the end, Taiwan must remain politically



Lee Teng-hui

### In the end, Taiwan must remain politically stable in order to maintain momentum in its relations with the mainland.

stable in order to maintain momentum in its relations with the mainland. Mr. Lee's supporters went a long way toward creating such stability when they headed off a last-ditch attempt by Taiwan's traditionalist old guard to prevent his election to the presidency of the KMT.

The opposition Democratic Progressive Party has also had trouble dealing with Mr. Lee, not only because he is the first native Taiwanese to become president but also because he is popular.

The Communists on the mainland, meanwhile, clearly welcome the initiatives that Mr. Lee has taken to expand contact with China. But they must also feel uneasy about him

because, unlike his mainland-born predecessor, Mr. Lee has no close ties with China.

An analysis done by a research fellow at the Chinese Academy of Social Sciences and published in the April 11 issue of the official Beijing Review argues that there is "no authoritative successor" to Chiang Ching-kuo in Taiwan.

The article cites a speech given two years ago by China's senior leader, Deng Xiaoping, in which Mr. Deng said that once Chiang Ching-kuo died, "as far as we can see, no one in Taiwan can replace him."

The analyst said that over the long run, confrontation and conflicts between those who want reunification with China and those who



Two-wheeled vehicles dominate the rush-hour traffic on a Taipei street.

want independence are inevitable. The only solution, he said, is for the KMT to drop the three noes and adopt an active reunification policy.

But on Taiwan, both KMT and opposition politicians seem to agree that reunification is

unthinkable as long as the economic and political gaps between Taiwan and China remain as large as they are.

"But without real democracy on the mainland, there is no way that we would consider reunification."

DANIEL SOUTHERLAND is The Washington Post's correspondent in Beijing.

# 2 Nations Show More Flexibility on the Long March Toward Unity

By Kazuyuki Hamada

WASHINGTON — In today's world, international relations are determined more and more by economic rather than military power. One of the most successful players in this game is Taiwan.

With a population of 19.6 million — or one-sixtieth of the mainland — and diplomatically isolated, Taiwan, nevertheless, continues to have the world's highest economic growth rate — 11.6 percent in 1986 and 11.2 percent in 1987. Its trade surplus in 1987 was \$19 billion. Having reached \$76.7 billion, its foreign exchange reserve is now the world's second largest, after Japan's. Its nominal GNP reached \$97 billion, or \$5,000 per capita, and the unem-

ployment rate has remained at roughly 2 percent for the past several years.

All these figures demonstrate far better economic performance than that of most of the world's countries, not to mention China.

This success can be attributed to the following elements, which contrast greatly with the mainland:

- Government industrial policies. After the war, the rural population was transferred to urban areas, thus achieving industrialization, with financial and technological assistance from the United States.

- Changing international environment. Despite being an outcast from the United Nations, the International Monetary Fund and the General Agreement on Tariffs and Trade, Taiwan has developed a favorable and substantive economic relationship with more than 140 nations, while maintaining official diplomatic relations with 22 others, mostly Latin American countries.

- Characteristics of the people. Cultivated by the traditional work ethics of Confucianism, Taiwanese are education oriented, as well as highly work and saving motivated. They have held the record for having the world's highest savings rate for the past 12 years.

- These elements have promoted and will continue to promote the successful development of Taiwan's economy, which has, in turn, brought about its political and social stability.

- China aims at reunification with affluent Taiwan after the successful reversion of Hong Kong in 1997, for their own economic and political reasons.

There are three schools of thought in Taiwan concerning the country's future. One calls for reunification at a moderate pace. Under the administration of the late President Chiang Ching-kuo, Taiwan initiated the Grand Alliance of China Reunification policy in 1983. This aims at a slow but steady development of the relationship between Beijing and Taipei. A majority of the people support this position, not wanting a drastic change.

The second is that of reunification at a radical pace. Old mainland veterans favor this movement. In April of this year, the China Reunification League was formed along these lines in Taipei.

This group, however, is not strong enough to win popular support.

The third school supports Taiwan's eventual independence. Taiwan's intellectuals, concerned about their nation's international

status, advocate this scenario. Business leaders, afraid of being under the political rule of economically backward China, also voice the need for independence.

Thus, both Beijing and Taipei officially adhere to the goal of reunification. However, this goal is a difficult one to achieve. The following three scenarios are conceivable as the means to a unified China, but each has apparent limitations.

- Militarily forced reunification by Beijing. The resulting bloodshed would make it extremely difficult to control the Taiwanese after reunification. In addition, China has a limited number of naval forces with which to attack Taiwan. More important is the fact that China cannot exclude the costs involved in such an attempt, as it is concentrating on domestic reforms. Beijing is also concerned about international pressure against such adventurism.

- Peaceful reunification of the Kuomintang and the Chinese Communist Party. This scenario has occasionally been proposed by the mainland's Communist Party leaders, but it is not probable as the Kuomintang government in

currently make up almost 90 percent of Taiwan's population, while the top leadership positions remain in the hands of mainlanders. Under the leadership of the newly appointed president, Lee Teng-

hni, this potential cause of friction should be carefully dealt with, by allowing more Taiwanese to hold high-ranking government positions.

- Taiwan's independence, or a coup d'etat by the army of anti-government groups. Because of Taiwan's successful economic development and social stability, demands for a democratic society have been fairly well coped with by the Kuomintang government. The anti-government movement is very weak under these circumstances. Family visits to China have recently been allowed, resulting in reaffirmed feelings of superiority among Taiwanese toward their own social and economic system.

Therefore, the present situation is more than likely to continue into the 21st century. However, there are problems that Taiwan will face, among them is cooperation between mainlanders and Taiwanese on Taiwan. Taiwanese

## An analyst's view of the prospects for reunification with the mainland.

status, advocate this scenario. Business leaders, afraid of being under the political rule of economically backward China, also voice the need for independence.

Thus, both Beijing and Taipei officially adhere to the goal of reunification. However, this goal is a difficult one to achieve. The following three scenarios are conceivable as the means to a unified China, but each has apparent limitations.

- Militarily forced reunification by Beijing. The resulting bloodshed would make it extremely difficult to control the Taiwanese after reunification. In addition, China has a limited number of naval forces with which to attack Taiwan. More important is the fact that China cannot exclude the costs involved in such an attempt, as it is concentrating on domestic reforms. Beijing is also concerned about international pressure against such adventurism.

- Peaceful reunification of the Kuomintang and the Chinese Communist Party. This scenario has occasionally been proposed by the mainland's Communist Party leaders, but it is not probable as the Kuomintang government in

currently make up almost 90 percent of Taiwan's population, while the top leadership positions remain in the hands of mainlanders. Under the leadership of the newly appointed president, Lee Teng-

hni, this potential cause of friction should be carefully dealt with, by allowing more Taiwanese to hold high-ranking government positions.

- Taiwan's independence, or a coup d'etat by the army of anti-government groups. Because of Taiwan's successful economic development and social stability, demands for a democratic society have been fairly well coped with by the Kuomintang government. The anti-government movement is very weak under these circumstances. Family visits to China have recently been allowed, resulting in reaffirmed feelings of superiority among Taiwanese toward their own social and economic system.

Therefore, the present situation is more than likely to continue into the 21st century. However, there are problems that Taiwan will face, among them is cooperation between mainlanders and Taiwanese on Taiwan. Taiwanese



**THE RITZ TAIPEI**  
WHERE ELEGANCE IS A TRADITION.

The epitome of elegance and hospitality. With 300 guest rooms (100 suites), three restaurants, two bars and conference facilities. With a complete health club and business centre. The Ritz Taipei, where all your needs are met.

**The Ritz TAIPEI**

Member of *The Leading Hotels of the World*  
155 Min Chuan East Road, Taipei, Taiwan, R.O.C.  
Tel: (02) 597-1234 Tlx: 27345 TheRitz Fax: 5969283  
Taipei LEW reservation office Tel: (02) 597-2325 Tlx: 27345

**BE A PART OF A WINNING TEAM JOIN THE TAIWAN MIRACLE**



**TAIWAN**

Look who's in the game in Taiwan. R.O.C. An ever-growing roster of players are discovering that Taiwan is the right team in the right arena for successful investment and trade.

**PEOPLE** Taiwan offers you a well-educated, highly-motivated Chinese work force of 8 million, backed by a reserve of 3 million part-time workers. And front-office relations with labor couldn't be better.

**PLACE** With two international airports and five major international harbors, Taiwan puts you close to the action and appreciates private business. Join the Taiwan team and enjoy the benefits including tax holidays, duty exemptions in certain strategic investments, and generous terms for repatriation of profits.


**PRIORITIES** Get into the game in Taiwan, R.O.C. where profits are rolling for investors.

Industrial Development and Investment Center  
8th Floor, 7 Roosevelt Road, Sec. 1, Taipei  
TEL: 202547231 Fax: 2024 INWEST  
Economic Trading Company Ltd.  
26th Fl., Bannan House 2, Shawnee Place  
London W8R 7AA, England  
Tel: 2027 3456789 CABA: MAJESCO London MI  
Tel: 0202-12345

Tell me more about investment opportunities in Taiwan.  
 Have a representative call me  
 Send me a free copy of your brochure

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Company/Address & Tel: \_\_\_\_\_

Ambassador Hotels. Your winning tickets.



**A-ha! Here We Are!**

On second thought, I prefer the Ambassador.

Tired of playing the shell game to find a hotel that meets your business travel needs? At the Ambassador you won't gamble.

Our 15 million dollar commitment to renovations marks new options for business and pleasure seekers. Discover our Executive Business Service Center. It keeps you in stride towards better business abroad. Celebrate your success at the VIP Lounge. And when you've wrapped up the deal, our conveniently located lobby airline counters will keep your business trip at full speed.

For your next business trip in Taipei or Kaohsiung, prefer the Ambassadors. Anywhere else may be a poor bet.

**THE AMBASSADOR HOTEL**

100 N. Chuan East Road, Taipei, Taiwan, R.O.C.  
Tel: (02) 597-1234 Fax: 5969283

مكزامن الأصيل

# Commodity Taxes Cut, Lower Import Tariffs Boost Consumerism

By Coleen Geraghty

**T**AIPEI — The age of conspicuous consumption has finally caught up with this nation of scrupulous savers. A government decision to lower import tariffs and cut commodity taxes opened the door to a flood of foreign goods, including household appliances, automobiles, television sets, designer clothing and cosmetics.

The government acted partly in response to pressure from U.S. trade officials, who have accused Asia's four "dragon" economies — Taiwan, Singapore, Hong Kong and South Korea — of using protectionist tactics to shield their domestic industries and thereby increase their trade surpluses with the United States. Taiwan's surplus rose to a record \$15.6 billion last year.

In February alone, Taiwan halved import tariffs on 3,500 items, thereby lowering the national effective tariff rate from 7.7 percent to 3.8 percent, according to Vice Minister for Economic Affairs Wang Chien-Shien. The effective U.S. tariff rate is 3.6 percent, he said.

The month before, import tariffs were cut on about 1,700 foreign products, and Taiwan began allowing imports of U.S. wine, beer and cigarettes. More recently, the government announced the relaxation of import controls on stationery and books.

Customs statistics tell the story even more dramatically. For the first two months of 1988, Taiwan's imports rose 60 percent from 1987 levels, while its exports were 28 percent above the year-ago figures. Exports to the U.S. climbed 16 percent during January-February, but imports raced ahead by 127 percent, Mr. Wang said.

In 1987, imports of consumer goods made up only 8.3 percent of the total mix. But they accounted for 17 percent of the goods imported in January-February 1988.

"As you walk around Taipei, you are bombarded by merchandise," said James Vaughn, who runs American Express Bank in Taipei.



Shoppers view merchandise on Taipei's Zhong Hua Road.

"Taiwan's market basket is changing. Suddenly, things are available."

It is still too early to tell whether Taiwanese consumers will buy the imports that now appear in shop windows as a result of the government's new import policy. Throughout the 1980s, Taiwan's savings rate, that is, the rate of national savings to Gross National Product, averaged above 30 percent. Last year, it jumped to 40.2 percent, among the highest in the world.

But per capita gross national product in Taiwan has increased at about the same pace,

rising from \$3,144 in 1985 to \$3,784 in 1986 to \$4,952 last year. Fully 98 percent of Taiwanese households own refrigerators, 96 percent have color television sets, 94 percent have motorcycles and 10.2 percent have automobiles.

"Double-digit increases in per capita income are expected to shift consumer preferences for imported goods," according to another banker, who noted the recent establishment of international retailer outlets.

If the Taiwanese are developing a taste for Christian Dior and ESPRIT computers, they can certainly afford it. The New Taiwan dollar

has appreciated rapidly against most major currencies, particularly the U.S. dollar. But some economists worry that this trend eventually will skew Taiwan's relatively equitable income distribution.

"People who own property and stocks, they made money, but those without tangible assets lost ground as the dollar appreciated," said Liang Kuo-Shu, chairman of Chang Hwa Commercial Bank. "The equality of income distribution has already deteriorated."

The booming property market will also ac-

If the Taiwanese are developing a taste for Christian Dior and ESPRIT computers, they can certainly afford it. The New Taiwan dollar has appreciated rapidly against most major currencies.

centuate any tilt in the distribution of wealth as the price of a moderately sized flat in and around the cities quickly soars out of the middle-income price range. Bankers estimate that property values have doubled in Taipei during the past 12 months.

"Some people say the market has peaked, but I think it will level off and rise again," said one foreign banker. "A lot of the existing housing around Taipei is old and shabby-looking. There is enough money around to tear it down and rebuild."

In fact, home mortgage loans constitute a large part of retail banking business in Taiwan. Both local and foreign banks compete for this market, offering mortgage rates between 6 percent and 7 percent, according to Chang Hwa's Liang Kuo-Shu.

More than \$18 billion in consumer loans was approved by foreign and local banks last year, as demand for consumer credit continued rising at an average annual rate of about 22 percent.

Automobile loans, a second major component of this consumer loan business, are being used increasingly to purchase foreign cars now that import duties have been lowered from 60 percent to 42.5 percent. The automobile indus-

try said foreign car imports probably would double in 1988 to reach 80,000 units.

Central to the future of consumer credit in demand in Taiwan is the government's policy on credit card issuance. Several major issuers including Bank of America, American Express, and Citibank last year reached an agreement with the Ministry of Finance to market foreign currency-denominated cards within Taiwan. Chase Manhattan joined the group this year.

Bankers see Taiwan as a potentially lucrative card market based on per capita income, and the large outgoing tourist population. But they are prohibited from offering credit cards payable in New Taiwan dollars, despite the relaxation of wide-ranging currency regulations last summer. Taiwan's policy stems from a desire to protect issuers of the local UDC card, which monopolizes the debt market.

U.S. officials will urge Taiwan to reverse this policy when they meet their Taiwanese counterparts for trade consultations next week, sources said. In the meantime, foreign card issuers are pairing up with local banks to form island-wide distribution networks in anticipation of an end to the current credit card issuance rules.

## From a Tiny R&D Unit, a Computer Giant

**T**AIPEI — Acer Incorporated is not a typical Taiwanese company, but its 44-year-old chairman, Stan Shih, hopes it is a prototype for what the typical Taiwanese company will become.

Mr. Shih, together with five business associates, built what has become Taiwan's leading computer manufacturer and distributor from the shell of a tiny research and development company with 11 employees.

That was 12 years ago. Today, Acer employs 3,800 people, about 70 percent of whom own the majority of its stock. According to its chairman's calculations, when the company goes public in November about 900 employees will be holding shares worth \$35,000, or seven times the current gross-national product.

This particular statistic is important to Mr. Shih because it demonstrates a high degree of employee involvement, one trait that distinguishes Acer from most other Taiwanese companies.

"From the beginning, Stan Shih understood that a successful company must attract loyal workers, so he made stock options available to employees," said John Wang, senior vice president of corporate administration. "He gave people a chance to be creative, even allowed them to make mistakes. That kind of freedom creates a powerful, self-motivated work force."

Founded as Multitech, the company earned about \$200,000 in the first year. A decade later, in 1986, group revenue had exceeded \$200 million, for an average annual growth rate of 100 percent. Turnover last year reached \$319 million from the marketing, manufactur-

ing, trading, publishing and education divisions.

As the Acer group has grown, so has Taiwan's information products industry. Export of information products from Taiwan last year rose 79 percent to a record \$3.7 billion. Micro-computer exports nearly doubled in value to \$760 million, despite the competitive disadvantage of an appreciating currency. The United States accounted for about one-third of all information product exports.

In the past, employee shareholders furnished Acer with most of its working capital. "The banks gave us short-term financing, and the employees continued to reinvest earnings into the company," Mr. Shih said. Through this arrangement has carried Acer through 12 years of growth, it cannot support Mr. Shih's ambitious expansion plans.

Listing on the Taiwan Stock Exchange this fall will provide the company with a new source of funds. The \$16 million placement will be handled by a combination of Taiwanese, American, and Japanese institutions.

"It is a necessary step in our long-term strategy to become a truly global company," Mr. Shih explained. Underwriters encouraged him to list first in the United

States. He demurred, but he will apply for American Depositary Receipt (ADR) listing eventually.

In many respects, Mr. Shih is the Taiwanese equivalent of the ambitious American entrepreneur, marshaling guts, talent, and hard work to fulfill a private ambition. But his ambition transcends monetary goals; it is fueled by a fierce pride in Taiwan.

"The economic growth of Taiwan has been fantastic, but it is not acknowledged internationally," he said. "We would like to be recognized, and we would like the position of Taiwan to become recognized."

Global expansion is the core of Acer's five-year plan, a document calling for 25 percent return on equity and 40 percent growth each year, a sixfold expansion of manufacturing space by 1989 and sales of \$1 billion by 1991. The sales target has already been revised upward — based on current expectations that the \$1 billion mark will be reached a full year ahead of schedule.

About 85 percent of Acer's production is exported, and the company owns distributorships in 67 countries. "Our market is global," Mr. Shih said, "but we haven't yet begun to trade technology. This is our most urgent goal."

In order to meet that goal, Acer

first had to establish a foreign base. Last year, the group acquired Counterpoint Computers Inc., a U.S.-based designer and manufacturer of minicomputers. Acer executives then started scouring Japan and Europe for research and development facilities to complement an existing laboratory in San Jose, California.

Following a strong sales campaign in the United States and Europe, which began in 1986, Acer decided to relocate production facilities closer to the market. It has contracted with Texas Instruments to manufacture up to 5,000 units per month at the U.S. company's plant and is seeking similar arrangements with other American and European manufacturers.

Mr. Shih's quest for international recognition came closer to reality this year when Acer applied for a license to develop and market legal clones of International Business Machines Corp.'s new PS-2 personal computers. This venture would open up a potentially huge market for the group, and add to Taiwan's global status in the high-tech field.

"We have demonstrated that the dreams of all young Chinese can be realized," he said. "I am not pretending that it's easy, but our success will encourage others. My own dream is to develop Acer into a globally prominent company. I think I can spend another 10 years working to achieve that goal."

- Coleen Geraghty

### YOU EXPECT MORE

At the Hotel Rebar Crown we have earned our 5 Star status by understanding that the discerning traveller expects more.

We have taken special care in designing our interior where Art Deco merges with traditional Chinese themes creating a unique ambience.

At the Hotel Rebar Crown we understand



Hotel Rebar Crown \*\*\*\*\*  
力霸大飯店

42 Nanjing E. Rd. Sec. 3, Taipei, Taiwan, R.O.C.  
Cable: HTLREBAR Tel: 263-8436 Telex: 14207 HTLRI BAR Fax: (02)7670947

OVERSEAS RESERVATION:  
UTELL International CARDINAL Hotel Booking Service  
LOEWS REPRESENTATION INTERNATIONAL

Chinese and Western Cuisine • Business Center • Convention Facilities • Health & Fitness Center • Piano Bar

MORE OPPORTUNITY MEAN  
NS BETTER BUSINESS ON TAIWAN  
Really.

Taiwan, with current foreign exchange reserves exceeding US\$ 75 billion, is one of the world's most vibrant and dynamic economies. To keep up the momentum, the ROC government is determined to carry through a campaign to internationalize Taiwan's economy and diversify its foreign markets. Tariffs on imports have been drastically cut and currency controls eased.

All this adds up to new business opportunities for our 174 trading partners worldwide.

When you have something to sell to, or buy from Taiwan, get in touch with us. We at the Board of Foreign Trade are prepared to help you move into Taiwan's lucrative marketplace and benefit from it.

BOARD OF FOREIGN TRADE  
Ministry of Economic Affairs

1 Hsiao Si Street, Taipei, Taiwan, Republic of China  
Tel: (02)251-0271 Telex: 11434 BOFT TAIPEI  
Fax: (02)251-3609



OPENING NEW HORIZONS  
IN ROC (TAIWAN)—EUROPEAN  
BUSINESS RELATIONS

THE EURO-ASIA TRADE ORGANIZATION (EATO)  
in Taiwan can help you to achieve this aim.

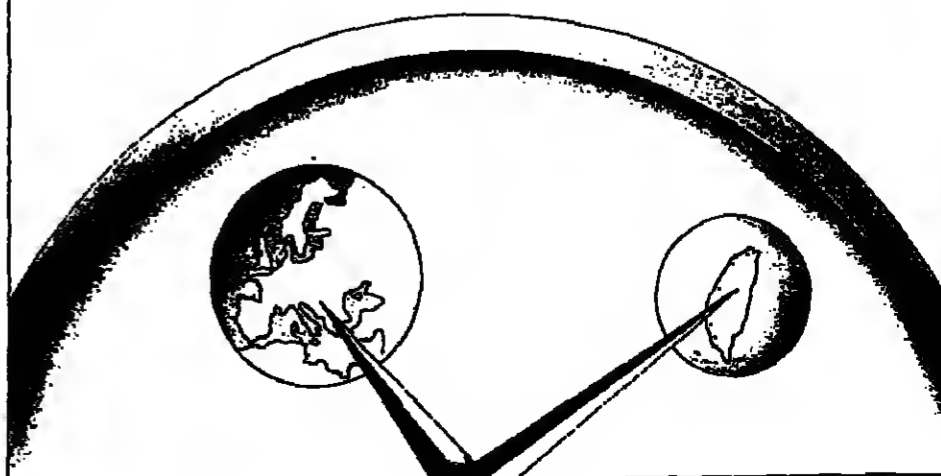
Our principal activities:

- Enhancing cooperation between Taiwan's business and industrial enterprises and their European counterparts
- Arranging programs for trade and industrial missions from European countries
- Transmitting trade and business information
- Organizing trade and industrial missions to European countries

EURO-ASIA TRADE ORGANIZATION



41H R. NO. 1 HSU CHOW ROAD  
TAIPEI, TAIWAN, REPUBLIC OF CHINA  
TEL: (02)3932115 TELEX: 25794 EATO  
FAX: 3928393



# In Quest of a Multifaceted Financial System

By Coleen Geraghty

**T**AIPEI — Given its size and prosperity and the entrepreneurial talents of its people, Taiwan has one of the most woefully inadequate financial systems in the world.

Its volatile stock market reacts more often to speculation and rumor than to fundamental factors. The capital market has little depth, a mutual fund industry is just emerging and officially sanctioned commodity markets do not exist.

Yet Taiwan badly needs a multifaceted, functioning financial system. The national savings rate of 40 percent of gross national product leaves about \$38 billion for potential investment by the Taiwanese. Moreover, economists estimate that the appreciation of Taiwan's currency has attracted at least one-third more from U.S., Japanese and Hong Kong investors.

The lifting of foreign exchange controls last year should have alleviated some pressure on the country's burgeoning money supply. For the first time, Taiwan allowed its citizens to export large sums (up to \$5 million) outside the country. But the Taiwanese were unwilling to invest abroad while their own currency continued to increase in value. After rising 47 percent in 1986, Taiwan's money supply swelled by another 43 percent last year.

A good deal of that money found its way into the stock market. Taiwan Stock Exchange officials said 630,000 new accounts were opened in 1987, one-third up from the 1986 figure. Average daily trading volume quadrupled to reach about \$325 million in 1987. Based on 1987 performance, the Taiwan Stock Exchange claims a higher average turnover than the Hong Kong, Singapore, Malaysian, Philippine and Thai markets combined.

But Taiwan has paid a price for success in terms of volatility. After nearly doubling in the first four months of 1987, the index consolidated, then moved from 1,600 to 4,600 in the space of three months to reach a record 4,673.14 on Oct. 1. Following the global equity crash, the Taiwan market lost more than half its value. "This market has become one of the most volatile in the world," said Danny Chan, managing director of Fidelity Securities Investment Consulting Corp. "It's full of short-term specu-

lators and virtually empty of fundamental analysis. It can be talked up or down easily."

Marc Faber, general manager of Drexel Burnham Lambert's Hong Kong operation and an experienced analyst of Asian markets, compared Taiwan's recent boom with the "speculative excesses" of Kuwait in the late 1970s and Singapore in 1983-1984.

"The current boom in Taiwan is nothing different, although I am assured by both Taiwanese and foreign brokers alike that this time it is totally different," Mr. Faber said. "In fact, I agree that there are some distinctions from other booms — the excessive speculation [in Taiwan] is probably less controlled than in the other cases."

In short, Taiwan's stock market has grown without maturing. As proof of that, critics point to the stringent daily limit on price movements, which has the effect of creating a roadblock of unfilled orders. No other major market contains trading activity in this way, they say.

The structure of Taiwan's industry also gives its equity market a lopsided look. The five largest companies make up about 40 percent of the index, and the 50 largest account for 90 percent. (About 135 firms are listed.) But because so many Taiwanese firms are family-owned or government-controlled, only a small percentage of their stock is available to investors. "There's not too much free scrip about," Mr. Chan said.

But opportunities for domestic investment outside the stock market remain limited. Taiwan's bond market is relatively undeveloped because local businessmen have found it cheaper to raise capital through bank borrowing.

Larger companies are finally beginning to test the bond market. In February, Taiwan's leading pulp and paper manufacturer, Yuan Foong Yu, carried out the first convertible bond issue in the local market. The five-year bonds are convertible into common shares of Chung Hwa Pulp Corp., a listed firm 10 percent owned by the issuer.

Bankers said Yuan Foong Yu is now negotiating the terms of a second issue, this one a convertible preference stock carrying a guaranteed interest rate, and convertible into shares after one year.

Lacking a good spread of investment opportunities in traditional markets, the Taiwanese

## Taiwan has paid a price for success in terms of volatility.

have created an entire network of underground markets instead. The people who run them promise returns of up to 4 percent per month by investing in high-risk stocks and speculative property ventures. The underground market also deals in commodity futures, which are illegal in Taiwan.

Tracy Cheng, senior vice president of the Taiwan Stock Exchange, believes the influence of these underground brokers is exaggerated. He estimates their holdings at a tiny fraction of the investment capital in Taiwan. But Fidelity's Danny Chan disagreed, claiming that total funds placed with underground brokers could exceed 15 percent of the gross national product.

The government, aware of the threat posed by underground brokers, is paralyzed by the ambiguity of current laws. "We are working to revise the rules and regulations, but it takes time," said Philip Fang, senior specialist with the Securities and Exchange Commission.

In January, Taiwan's Legislative Yuan approved 11 major changes to the financial body of law, but they must be reviewed by other branches of government before the commission can begin enforcement. On the one hand, new rules will tighten up the operation of domestic markets; on the other, they will ease restrictions on foreign broker participation in Taiwan's securities industry.

Taiwan's Securities and Exchange Commission is braced for a flood of securities license applications by local and foreign brokers now that the 25-year freeze on new licenses has been removed. At present, 28 licensed securities firms operate in Taiwan, including 14 banks acting as brokerage houses. That number is

expected to double upon approval of the applications.

The regulations do not remove the rules barring foreign firms from the broking industry, but they will allow up to 40 percent foreign ownership of a local securities house. However, no one foreign firm may own more than 10 percent.

This seemingly small concession to the foreign community is, in fact, extremely valuable. "A foreign broker can now compete as a domestic company in Taiwan," said Mr. Cheng of the Stock Exchange. "They may not own a majority, but they can control the management, which means taking effective control of the firm."

The second stage of regulatory change, which would permit 100 percent foreign ownership, is still "years away," according to Mr. Fang of the Securities Exchange Commission. American officials plan to raise the subject with Taipei during annual trade talks scheduled to begin April 26.

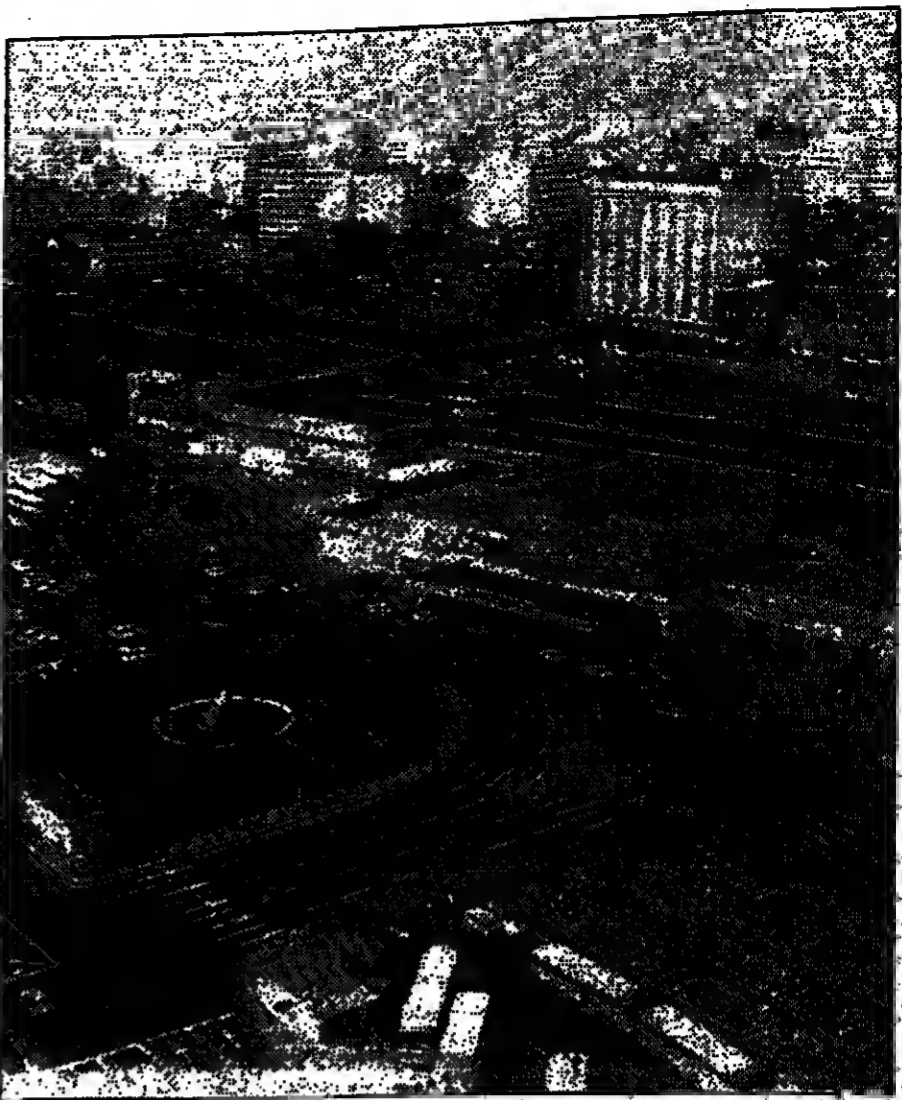
In other areas, foreign firms enjoy greater liberties. Shortly after foreign currency restrictions were removed last July, Taiwan began permitting nonlocal investment houses — formally called securities investment consultancy enterprises — to provide Taiwanese citizens with investment advice on foreign securities markets.

More recently, the enterprises received permission to advertise and sell non-Taiwanese unit trusts in Taiwan, although the actual remittance of funds must be executed by a local bank.

Jardine Fleming was the first to offer these mutual funds to investors through local banks. Three of its unit trusts are available through Hua Nan Bank and the Farmers Bank of China. Another eight have been authorized for sale by the securities commission.

Several of Fidelity's unit trusts have also been approved, and the authorization of mutual funds managed by Vickers da Costa and ChinTung Securities are pending, Mr. Fang said.

Eventually, the securities enterprises are expected to get permission to manage private portfolios, though not mutual funds, the argument being that foreign fund managers would buy large chunks of Taiwan's blue chip stocks, which have become quite illiquid.



Taipei, whose stock market has become one of the world's most volatile.

In fact, most of the securities enterprises are already minority partners with Taiwanese firms in the management of four funds wholly invested in local equities. Launched last year, the funds' net asset values rose from 15 percent to 20 percent in the quarter ended Feb. 28. None managed to outperform the index.

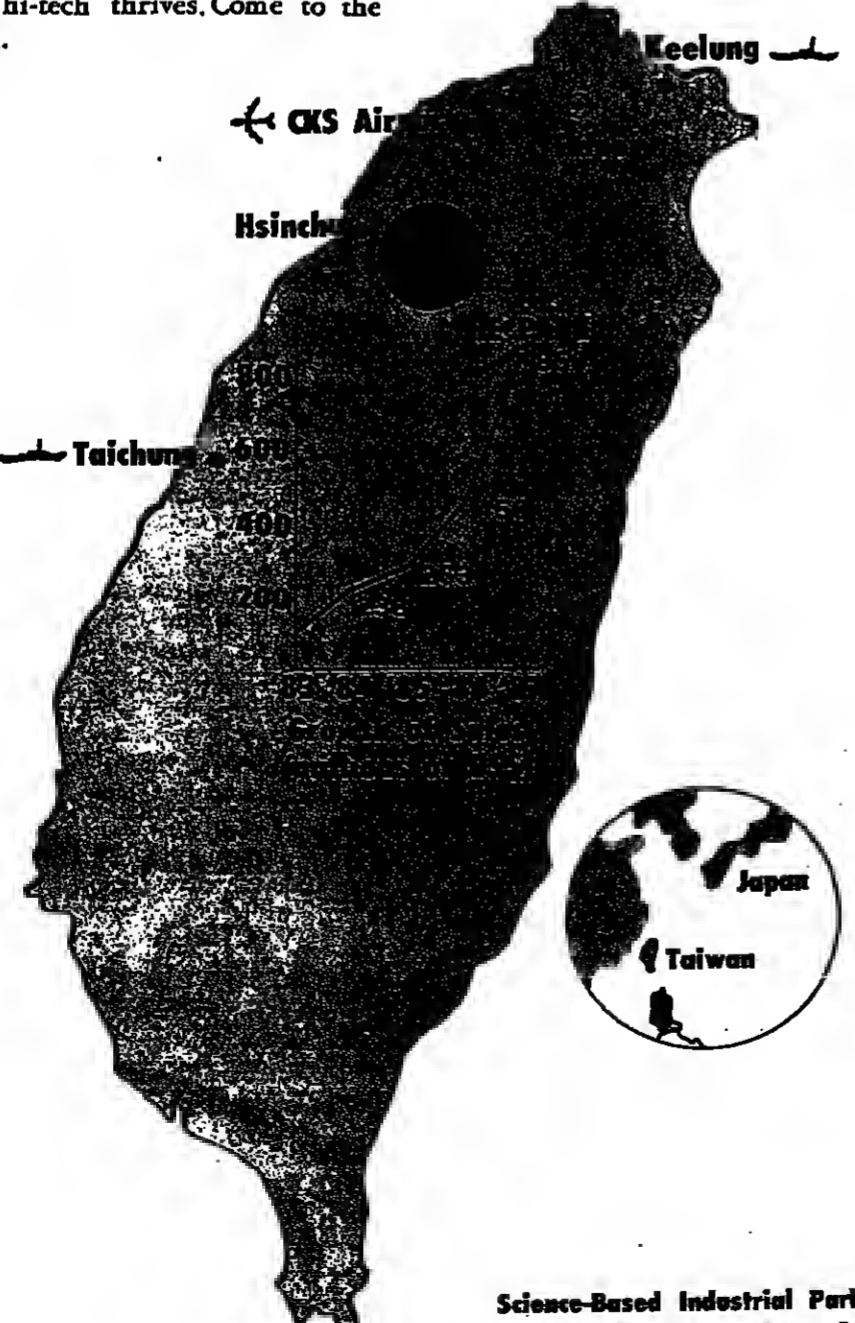
As the liberalization process continues, foreign firms are likely to play a larger role in Taiwan's equity markets, and in the pattern of Taiwanese investment abroad. The change should result in a more open and sophisticated financial system to serve Taiwan's 19.6 million people.

# Invest Where Taiwan's Hi-Tech Thrives

For hi-tech investment in Taiwan, the Science-Based Industrial Park (SIP) represents excellent opportunities, and with good reasons:

- **Phenomenal growth**  
Output of the Park grew 109% annually for the past 7 years, with a 88% increase to US\$850 million in 1987 (See chart). Number of companies increased 30% annually to 76 last year.
- **Skillful human resource**  
Abundant supply of well-trained scientists and engineers.
- **Low production cost**  
Costs of labor, engineering and management average only one-fourth of those in the U.S.
- **Strong government supports**  
R&D grants, one-door service and tax holiday.
- **Idyllic community**  
Just 1-hour drive south of Taipei.

Come to where Taiwan's hi-tech thrives. Come to the Silicon Valley of Taiwan.



Science-Based Industrial Park Administration  
2 Hsin An Road, Hsinchu, Taiwan, Republic of China  
Tel: (036) 773314 Tlx: 32168 NSCSIPA, Fax: (035) 776222

## Shipper Thrives Onshore

**T**AIPEI — Evergreen Marine Corp., the Taiwan-based arm of the world's largest container shipper, is slowly becoming a landlubber. Efforts at diversification are drawing the company into such nonmarine activities as hotel management and steel manufacturing.

Having got its feet wet with plans to build a 330-room hotel in central Taiwan this year, Evergreen has purchased land in Hong Kong to build a second one, according to the company's president, Frank Hsu Juei-yea. "We would like to expand into service businesses like hotel and hospital management, and insurance," Mr. Hsu said.

That would be a far cry from Evergreen's beginnings in 1968 as a liner service with one second-hand vessel owned by the current group chairman, Chang Yung-fa. Registered in Panama, Evergreen was wholly owned by the Chang family until 1979.

Last year, the Taiwan company went public with a 41 million share offer, the largest ever on the Taiwan market, and this year, it plans to offer 120 million new shares. The Panamanian-based company, Evergreen International Corp., remains privately owned by the Chang family and associates. Shipping and transport-related

industries have kept the group profitable since its beginnings, despite the varying fortunes of the marine industry. When questioned, Mr. Hsu brushes aside the persistent rumors that Evergreen stays afloat on government subsidies. "We don't look for one penny of subsidy," he said. "Every year for 20 years we have made money. We do our market research and we

emphasize efficiency. People accuse us of being a rate-cutter, but our rate policy is very strict. We are successful because we have a cost-conscious management." Last year, Evergreen more than doubled profits to \$71.4 million on revenue of about \$800 million. The company's success owes something to the drive to diversify outside the marine industry. Evergreen Superior Alloys, for exam-

ple, is a hugely successful subsidiary that manufactures specialty steel and alloys. Founded in 1987, it recently signed a technology-transfer contract with the Austrian company Bohler Gesellschaft. The Superior Alloys plant, now under construction in southwest Taiwan, could supply up to half the country's special steel needs, estimated to grow to 80,000 tons.

## The giant container group is slowly becoming a landlubber.

Coleen Geraghty



## FOR A TASTE OF THE GOOD LIFE!

- 705 luxuriously appointed rooms & suites, in-room safe deposit boxes, turn-down service, ladies & non-smokers floor.
- 15 Western & Oriental restaurants including 3 lounges & the Elysee Nightclub.
- Banquet facilities for up to 2000 with the latest audio-visual equipment and 4-language translation capability.
- Fully equipped Business Center.
- Distinguished Customer Service with in-room check-in & speedy check-out.
- Champs Elysees Shopping Arcade features European fashion brands such as Gucci, a. restoni & Valentino.
- Shangri-La Shopping Arcade with a variety of specialty shops & boutiques.

For reservations, contact  
Sheraton Reservations Office  
Hong Kong 3-739-3535  
Singapore 732-6000  
or the nearest Sheraton Hotel  
or contact us directly  
12 CHUNG HSIAO EAST ROAD SEC. 1, TAIPEI, TAIWAN, R.O.C. TEL: (02) 21-5511 FAX: (02) 2194-4246 LAL LAI CABLES ANGEL



مركز الامم

Vertical text on the right edge of the page, including 'FROM THE RSD', 'Offer Provo', 'LONDON', 'Previous', 'survey by W', 'national an', 'firm in New', 'But a ma', 'tion. Previ', 'and date', 'companies s', 'without the', 'percent. In', 'People tes', 'ding deroga', 'Personnel M', 'issue in the', 'Even if ma', 'Do unto ot', 'harsh critic', 'by. It is su', 'to stop un', 'smeared you', 'There is a', 'said Edward', 'international', 'RECRU', 'cently', 'who h', 'gave the can', '(Unknowas', 'executive's di', 'Recruiters', 'the facts is', 'recruiters ma', 'checking a co', 'sion of the ca', 'The only a', 'people," said', 'memories. S', 'Others want', 'their departm', 'Other tricks', 'did not give', 'can often give', 'style. Accord', 'companies ch', 'The rest only', 'Almost ever', 'of current sup', '21 percent cor'





FROM MEDICAL SYSTEMS
Job
THURSDAY, APRIL 21, 1988

INTERNATIONAL MANAGER

Often, Reference-Checking Proves an Empty Exercise

By SHERRY BUCHANAN
International Herald Tribune

LONDON — Reference-checking is a standard but frequently unreliable method of assessing a job candidate's performance, character and ability. The catch is that previous employers are reluctant to give negative references in writing because they are afraid of being sued.

'There is a lot of bad-mouthing going on but never in writing,' Clark said.

RECRUITERS can't trust praise either. A headhunter recently called an executive to get a reference for a candidate who had once worked for the executive. The executive gave the candidate rave reviews in hopes of getting rid of him: Unbeknownst to the headhunter, the candidate was now the executive's direct boss.

Currency Rates

Table with columns for Currency, Bid, Ask, and other financial metrics.

Interest Rates

Table with columns for Currency, Rate, and other financial metrics.

Key Money Rates

Table with columns for Currency, Rate, and other financial metrics.

Asian Dollar Deposits

Table with columns for Currency, Rate, and other financial metrics.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and other financial metrics.

Gold

Table with columns for Location, Price, and other financial metrics.

Irving Accord Amended

BCI Raises Bid, Seeks Lesser Stake

NEW YORK — Banca Commerciale Italiana raised its cash tender bid for Irving Bank Corp. from \$65 to \$75 a share on Wednesday but lowered its proposed stake in the company, the two banks said after amending their accord.



James Sayers, center, general manager of AVX Corp's Northern Ireland plant, talking to workers.

U.S. Companies and the Other Ulster

By Steve Lohr
NEW YORK TIMES SERVICE
COLERAINE, Northern Ireland — With its sectarian strife, guerrilla insurgency and high unemployment, Northern Ireland scarcely seems a land of economic opportunity.

Oct. 19: 6 Months Later, Pact Seems Near on Trading Halts

By David A. Vise
WASHINGTON — Six months after the collapse of world stock prices on Black Monday, the heads of the major U.S. stock and futures markets appear to be moving toward an agreement that all trading will be halted whenever the Dow Jones industrial average drops about 250 points in a single day.

Springer Family Regains Hold on Press Empire

By Ferdinand Protzman
FRANKFURT — The bitter battle for control of Axel Springer Verlag AG, West Germany's largest mass-circulation publisher, reached a surprising conclusion Wednesday when the brothers Franz and Frieder Burda sold their stake in the company to the heirs of Axel Springer.

Retail Prices In U.S. Climbed 0.5% in March

WASHINGTON — In another troublesome report of accelerating U.S. inflation, the Labor Department said Wednesday that consumer prices rose 0.5 percent in March after increasing 0.2 percent in February.

Spring in Brazil

BRASILIA — The Brazilian economy is showing signs of recovery, with industrial production up 1.5 percent in March from a year earlier.

DEAN WITTER WORLD WIDE INVESTMENT TRUST S.A.
Registered Office: LUXEMBOURG, 14, rue Aldringen
Commercial Register: LUXEMBOURG Section B N° 21.525

McKinley Ailsopp, Inc.
4, place de la Concorde
75008 Paris
47 42 23 30

COMPLETE AIRCRAFT MANAGEMENT SYSTEMS
Executive Charter - Maintenance - Overhaul - Refurbishment - Flight Operation
Ground Handling - Aircraft Sales - Parts Sales - Consulting - Financing

Job
to our Golf I imagine that could be enough optional...
Job
to our Golf I imagine that could be enough optional...
Job
to our Golf I imagine that could be enough optional...

Question
of hundreds of...
Question
of hundreds of...
Question
of hundreds of...

ARS AGO
The...
ARS AGO
The...
ARS AGO
The...



كلنا من الامل

Peugeot's 1987 Profit Surged 86%

PARIS — Peugeot SA, France's only private automaker, said Wednesday that its 1987 profit surged 86 percent from a year earlier...

AT&T Selects Chairman, Reports 10.5% Profit Rise

DENVER — American Telephone & Telegraph Co. said Wednesday that the board had elected the company's president, Robert E. Allen, as chairman and chief executive officer to succeed James E. Olson...

AT&T also announced that its profit rose 10.5 percent in the first quarter, to \$492 million from \$445 million a year before.

Brierley Shifts From 'Squirrel Approach' to Asset Disposal

WELLINGTON, New Zealand — Brierley Investments Ltd., bruised by the October stock market collapse, is under more pressure than it admits to sell underperforming assets and redeploy funds abroad, analysts say.

IRELAND: U.S. Companies Praise Work Force, Government Subsidies

Ceramic capacitors are tiny electrical storage devices used in the electronics industry, regulating and filtering the flow of electricity to sensitive integrated circuits.

Sandoz Plans Stricter Limits On Stockholders

BASEL — Sandoz AG, the big Swiss pharmaceuticals and chemicals concern, said Wednesday that it planned to tighten restrictions on registering new stockholders to preserve the "Swiss nature of the company" and protect itself from hostile takeovers.

Ulrich Oppikofer, a board member, said Sandoz would propose at a shareholders meeting May 3 that no individual or group be allowed to acquire more than 2 percent of the company's voting rights.

An existing provision that allows the company to refuse to register new shareholders without reason is unchanged.

Mr. Oppikofer said a 2 percent stake represented about 21,000 registered shares with a current market value of around 100 million Swiss francs (\$72.7 million).

Rowntree, Skeptical, Agrees To Meeting With Suchard

LONDON — Rowntree PLC, the British confectionery group, said Wednesday that its chairman had agreed to meet with officials of Jacobs Suchard AG, the Swiss food giant that acquired a 14.9 percent stake in Rowntree last week.

Rowntree said its chairman, Kenneth Dixon, sent a letter Tuesday saying that its directors felt the company would perform best if it remained completely independent.

"If in the light of these comments you still wish to have a meeting, I would of course be willing to see you," Mr. Dixon said.

After scooping up the shares last week at 630 pence (\$11.90) each in a market raid, Suchard said it wanted to enlarge its stake to 25 percent.

Rowntree said then that the holding was unwelcome, but its stock price has surged on speculation that a bidding war will develop for the candy maker.

Company Results

Table with columns for various companies (France, Britain, Canada, Japan, United States, etc.) and their financial results for 1987 and 1988.

Indigo Take-off advertisement: Intel has just driven quarterly sales up 61 percent and tripled earnings after being battered for five months by analysts who thought such stocks were going to keep crashing.

Weekly net asset value advertisement: Energy Resources Growth Fund, 15-4-1988 U.S. \$35.89. Listed on the Amsterdam Stock Exchange.

DAIWA JAPAN FUND advertisement: Société d'investissement à capital variable, 2, boulevard Royal - Luxembourg. NOTICE TO SHAREHOLDERS.

Oil and Money conference advertisement: The ninth annual International Herald Tribune/The Oil Daily "Oil and Money" conference will be held at the Inter-Continental Hotel in London on October 13 and 14, 1988.

ECUPAR advertisement: Société d'investissement à Capital Variable, R.C. Luxembourg B 22918. Avis aux Actionnaires Convocation.

Olympia & York Developments Limited advertisement: A wholly-owned subsidiary of ROthschild Inc. Vancouver. The undersigned acted as financial adviser to Olympia & York Developments Limited and as exclusive Dealer Manager for the tender offer.

ECUPAR advertisement: Société d'investissement à Capital Variable, R.C. Luxembourg B 22918. Avis aux Actionnaires Convocation.

### Wednesdays AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect intra-day trading elsewhere. Via The Associated Press

Stock	Div.	Yld.	PE	High	Low	Close	Open
3M				97.75	97.25	97.25	97.75
4-3/8				101.75	101.25	101.25	101.75
5-3/8				105.75	105.25	105.25	105.75
6-3/8				110.75	110.25	110.25	110.75
7-3/8				115.75	115.25	115.25	115.75
8-3/8				120.75	120.25	120.25	120.75
9-3/8				125.75	125.25	125.25	125.75
10-3/8				130.75	130.25	130.25	130.75
11-3/8				135.75	135.25	135.25	135.75
12-3/8				140.75	140.25	140.25	140.75

Stock	Div.	Yld.	PE	High	Low	Close	Open
13-3/8				145.75	145.25	145.25	145.75
14-3/8				150.75	150.25	150.25	150.75
15-3/8				155.75	155.25	155.25	155.75
16-3/8				160.75	160.25	160.25	160.75
17-3/8				165.75	165.25	165.25	165.75
18-3/8				170.75	170.25	170.25	170.75
19-3/8				175.75	175.25	175.25	175.75
20-3/8				180.75	180.25	180.25	180.75
21-3/8				185.75	185.25	185.25	185.75
22-3/8				190.75	190.25	190.25	190.75

Stock	Div.	Yld.	PE	High	Low	Close	Open
23-3/8				195.75	195.25	195.25	195.75
24-3/8				200.75	200.25	200.25	200.75
25-3/8				205.75	205.25	205.25	205.75
26-3/8				210.75	210.25	210.25	210.75
27-3/8				215.75	215.25	215.25	215.75
28-3/8				220.75	220.25	220.25	220.75
29-3/8				225.75	225.25	225.25	225.75
30-3/8				230.75	230.25	230.25	230.75
31-3/8				235.75	235.25	235.25	235.75
32-3/8				240.75	240.25	240.25	240.75

Stock	Div.	Yld.	PE	High	Low	Close	Open
33-3/8				245.75	245.25	245.25	245.75
34-3/8				250.75	250.25	250.25	250.75
35-3/8				255.75	255.25	255.25	255.75
36-3/8				260.75	260.25	260.25	260.75
37-3/8				265.75	265.25	265.25	265.75
38-3/8				270.75	270.25	270.25	270.75
39-3/8				275.75	275.25	275.25	275.75
40-3/8				280.75	280.25	280.25	280.75
41-3/8				285.75	285.25	285.25	285.75
42-3/8				290.75	290.25	290.25	290.75

### INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 20th April 1988

Net asset value quotations are provided by the Funds listed with the exception of some quotes based on issue prices. The margin symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - quarterly; (l) - irregularly.

Fund Name	Div.	Yld.	PE	High	Low	Close	Open
ALMAG GROUP							
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00
ALP (M) Trust, S.A.				30.00	29.50	29.50	30.00

AS - Australian Dollars; BF - Belgian Francs; CA - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; Df - Dutch Guilders; Lf - Italian Lira; Lf - Pound Sterling; SF - Swiss Francs; S - Singapore Dollars; H - Hong Kong Dollars; J - Japanese Yen; M - Mexican Pesos; N - New Zealand Dollars; O - Omani Rials; P - Philippine Pesos; R - Rand; S - South African Rand; T - Taiwan Dollars; U - U.S. Dollars; W - West German Marks; Y - Yen.

كردن التحليل

**AMEX High-Lows**

NEW HIGHS

NEW LOWS

(Continued on next page)

**Floating-Rate Notes**

April 20

Coupon	Next	Bid	Ask
Alcoa Floating Rate	7/16	97.85	97.90
Alcoa Floating Rate	7/16	97.85	97.90
Alcoa Floating Rate	7/16	97.85	97.90

**Deutsche Marks**

Coupon	Next	Bid	Ask
Deutsche Bank DM	6/30	100.00	100.00
Deutsche Bank DM	6/30	100.00	100.00
Deutsche Bank DM	6/30	100.00	100.00

**Pounds Sterling**

Coupon	Next	Bid	Ask
London Lloyds Bank	6/30	100.00	100.00
London Lloyds Bank	6/30	100.00	100.00
London Lloyds Bank	6/30	100.00	100.00

**E.C.U.**

Coupon	Next	Bid	Ask
E.C.U. Bond	6/30	100.00	100.00
E.C.U. Bond	6/30	100.00	100.00
E.C.U. Bond	6/30	100.00	100.00

CURRENCY MARKETS

Dollar Up a Bit in Dull N.Y. Session

NEW YORK — The dollar moved out of its narrow range to end slightly higher Wednesday in a dull trading session.

London Dollar Rates

Table with 2 columns: Currency, Rate. Includes Deutsche mark, French franc, Swiss franc, and Japanese yen.

The dollar closed at 1.6670 Deutsche marks, up from 1.6635 DM at Tuesday's close, and at 124.25 yen, unchanged. It climbed to 5.6615 French francs from 5.6330 and to 1.3785 Swiss francs from 1.3760.

Mr. Madison said that traders had mixed feelings about the Consumer Price Index for March, which was within the market's expectations but nevertheless suggested that inflation was accelerating.

At the high end, we still have overseas customers seeking to sell dollars into rallies," he said. "On the downside, however, the threat of intervention, which as we saw last week is very real."

Canada Dollar Rises Sharply

OTTAWA — The Canadian dollar is rising sharply despite a concerted action by the central bank to slow its ascent.

The dollar, which closed Tuesday at 81.32 U.S. cents, topped 81.40 in early trading Wednesday before receding to 81.20 at the close.

The pound ended at 78.6 points on its trade-weighted index against a basket of currencies, unchanged. It closed at 3.1483 DM, virtually unchanged from 3.1480 DM.

Dealers noted that the British currency moved several times during the day about the key resistance level of 3.15 DM, though apparently without enough conviction to sustain a decisive surge.

In earlier European trading, the dollar was fixed in Frankfurt at 1.6626 DM, down slightly from 1.6628 DM, and in Paris at 5.6465 French francs, down from 5.6525. It closed in Zurich at 1.3735 Swiss francs, down from 1.3760.

U.S. High Court Deals Blow to Municipal Bonds

WASHINGTON — The U.S. Supreme Court upheld Wednesday a federal law that requires municipal or state bonds issued after June 30, 1983, to be registered before they can be tax-exempt.

cal governments by forcing them to choose between two costly alternatives: continuing to issue unregistered bonds for which investors will

actions involving bearer bonds, which means bond owners can easily conceal their income from the Internal Revenue Service.

The court today overrules a precedent that it has honored for nearly a hundred years.

Justice Sandra Day O'Connor. Dissenting opinion.

Backed by a 5-4 majority of 25 states, South Carolina had challenged the law as an unconstitutional infringement on states' rights. State and local governments issue bonds to pay for such things as road and school construction.

The law, which took effect July 1, 1983, was aimed in part at discouraging tax evasion when bonds change hands as gifts or are passed on to an heir.

Congress mainly intended to crack down on the use of such bonds as an untraceable substitute for cash in illegal activities.

Writing for the high court, Associate Justice William J. Brennan Jr. said, "Owners of state bonds have no constitutional entitlement not to pay taxes on income they earn from state bonds, and states have no constitutional entitlement to issue bonds paying lower interest rates than other issuers."

Only Associate Justice Sandra Day O'Connor dissented. "The court today overrules a precedent that it has honored for nearly a hundred years and expresses a willingness to cancel the constitutional immunity that traditionally has shielded the interest paid on state and local bonds from federal taxation," she wrote. (AP, UP)

Army Five Force

linked with Palestinian guerrilla groups in the Arab nationalist International Brigades. He said he had something to do with the bombing of a Japanese embassy in Jakarta last week.

Foreign Demand Is Slim for Japan's 20-Year Bond Sale

TOKYO — The Japanese government's latest auction of 20-year bonds drew a lackluster response from foreign banks and securities firms, despite their earlier requests to play an active role in providing such long-term funds.

Merrill Lynch International Ltd. and Prudential Bache Securities (Japan) Ltd. failed to bid at the auction, bond managers at the firms said.

This is partly because Japanese banks with low levels of capital compared with asset risk are trying to improve their ratios by holding high-quality securities, they said.

Currency Trends Boosted Asia's '4 Tigers'

MANILA — Favorable currency trends boosted the economies of Hong Kong, South Korea, Taiwan and Singapore, which grew by an average 11.4 percent in 1987, the Asian Development Bank said Wednesday.

The four newly industrializing countries, known as the "four tigers," also posted sharp increases in per capita gross national product, rivaling the developed countries, the bank said in its annual report.

Hoog Kong posted 13.6 percent growth in gross domestic product, South Korea and Taiwan 11.2 percent, and Singapore 8.8 percent, it said. GDP measures the total value of a nation's goods and services excluding income from foreign investments.

States angered the four countries, all considered U.S. allies, by ending duty-free concessions to them and effectively raising them to the ranks of developed nations.

This Bond Issue May Just Be Your Number

PARIS — ... Like playing the lottery but hate losing your money? Then consider buying the zero-coupon bonds of the Dutch cancer research institute managed by ABC/Coöperman Capital Markets.

Wednesdays OTC Prices

Table with 3 columns: Symbol, Price, Change. Lists various OTC stocks and their prices.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

Advertisement for 70% off on a 12-month subscription to the International Herald Tribune.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

12 Month High/Low Stock

Table with 4 columns: Symbol, Div. Yld., High, Low. Lists 12-month high and low prices for various stocks.

Advertisement for Wednesday's AMEX Closing, mentioning tables of closing prices on Wall Street.



SPORTS

Orioles Stumble to 13th Loss

By Richard Justice
Washington Post Service
MILWAUKEE — The team of Brooks and Frank, of September pennant races and October celebrations has hit rock bottom. The Baltimore Orioles, major league baseball's most successful franchise for the past 31 years, continued their descent through darkness Tuesday night by tying an 84-year-old major league record for losses at the beginning of a season.

one in the dugout, Manager Frank Robinson, the other in the broadcast booth, former third baseman Brooks Robinson. "This has got to be the epic event for this franchise," said Brooks Robinson. "When we won pennants or the World Series, we were doing what we were supposed to do. Who would have expected this? Maybe this is a payback. Other teams have gone through hard, but until now the Orioles never had."



Toronto's Jesse Barfield, hitting a third-inning grand-slam homer.

Fisher's 7-Hitter Ices Cardinals As First-Place Pirates Stay Hot

Compiled by Our Staff From Dispatches
PITTSBURGH — On a chilly night at Three Rivers Stadium, the St. Louis Cardinals couldn't handle Brian Fisher's heat. Fisher, a hot pitcher for one of the National League's hottest teams, mixed a 92-mp/h (153-kph) fastball with off-speed stuff en route to a seven-hitter that beat Cardinals, 3-0, for Pittsburgh here Tuesday night.

for-26 slump with three hits and two RBIs to spark Philadelphia past the Mets for the second straight night. Expos 9, Cubs 1; In Chicago, Dennis Martinez pitched a six-hitter and singled home a run during a seven-run eighth as the Expos breezed in a fourth straight victory. Red Sox 7, Tigers 3; In the American League, in Detroit, Roge Clemens struck out 11 to help Boston past the Tigers.

White Sox 7, Mariners 2; In Seattle, Chicago used five home runs, two by Carlton Fisk, to win its fifth straight game. Athletics 8, Angels 3; In Oakland, California, Dave Stewart became the first pitcher in the majors to win four games (Dennis Eckersley has saved all four) this year. Stewart committed three balks, running his 1988 total to eight — three short of Steve Carlton's major league record for a full season. (UPI/AP)



Detroit goalie Greg Stefan, making a save Tuesday amid heavy traffic.

Oilers' Defense Snuffs Flames

The Associated Press
CALGARY, Alberta — The Edmonton Oilers used to depend almost solely on an explosive offense. But on Tuesday night it was discipline, defense and penalty killing that enabled them to subdue the Calgary Flames, 3-1, in Game 1 of a Campbell Conference semifinal series in the National Hockey League playoffs.

[goalie] Grant Fuhr was there, and we got the big goal when we needed it. The Oilers limited Calgary to one power-play goal — on a first-period slapshot by Brad McCrimmon. That tied the game, 1-1, after a shot by Edmonton's Steve Smith had deflected off teammate Mark Messier's skate and past goalie Mike Vernon on a power play.

Red Wings 5, Blues 4; In Detroit, Shawn Burr scored twice, including the go-ahead goal at 6:09 of the third period, and Gerard Gallant tallied the winner at 7:46 to lift the Wings past St. Louis. After the conservatively played contest — there were only 41 shots, 22 by Detroit — Gallant said, "I expect a lot of close games. It's going to be like tonight. They're very similar to us. They have two checking centers and two scoring centers. They play physical."

Baseball

Basketball

Hockey

Tuesday's Line Scores

National Basketball Association Standings

NHL Playoffs

Table with columns for Team, W, L, Pct., and other statistics for various baseball teams.

Table with columns for Team, W, L, Pct., and other statistics for various NBA teams.

Table with columns for Team, W, L, Pct., and other statistics for various NHL teams.

Second-Round Schedule

Table listing the schedule for the second round of NHL playoffs.

Major League Standings

Large table showing Major League Standings for both the American League and National League, including West and East divisions.

Transition

Table showing transition statistics for various baseball teams.

European Soccer

Table showing European Soccer standings and results.

Tennis

Table showing Tennis Pro Leaders and Wimbledon results.

Escorts & Guides

Table listing various Escort Services and their contact information.

International Classified

Table listing various International Classified services and their contact information.

Sidelines

Table listing various Sidelines and their contact information.

Expected New

Text regarding expected new arrivals or services.

Transition

Text regarding transition services.

European Soccer

Text regarding European Soccer news.

Tennis

Text regarding Tennis news.

Escorts & Guides

Text regarding Escort Services.

International Classified

Text regarding International Classified services.

Sidelines

Text regarding Sidelines.

ART BUCHWALD On the Flight Line

WASHINGTON — Soloway came into the office and said he wanted to take out a full-page advertisement in the paper declaring his airline is the safest in the business.



Buchwald

"I was reluctant to help him, as Soloway's airline, A Wing and a Prayer, had lost my luggage a month before and still hadn't found it.

They're also mad because you won't refund your planes. "I'm just trying to save some money. Do you know in order to buy the company I had to sell junk bonds? Now I'm in a bind. I either have to pay the interest on the junk bonds or buy new tires."

'Dancing' With African 'Airport Art'

By James Brooke New York Times Service KORHOGO, Ivory Coast — Shaded from the hot sun, Soro Zana works rapidly, slicing and chopping a block of wood.



Carver in Korhogo working on a statue which will probably be "aged" for sale to a tourist.

Under the blows of his adze, an African mask quickly takes shape. Zana, a member of the Senoufo tribe, is carving a mask in the style of his rivals, the Baule. He says he does not care — the mask, priced around \$30, is destined for the tourist markets of Abidjan, 350 miles south of the Ivory Coast carving center of Korhogo.

States and Europe dismiss such handwork as Zana's as "airport art." But African vendors are responding to this sort of criticism with a sophistication of their own. Their masks make strange detours on the long road to Abidjan, spending a few nights in termite hills, then being kicked around and damaged to acquire a "distressed" look.

In order to achieve an authentic-looking, multilayered patina, the masks may be smoked over cooking fires, stained with soot and water or rubbed with shoe polish. To show "wear," parts of the interiors are sanded smooth and "sweat marks" are rubbed in.

Unlike masks that have not undergone the "aging" process, one that has will carry a price tag commensurate with its supposed rarity — \$300. "Very old," the vendor in Abidjan assures prospective buyers, reverentially holding up the three-month-old carving. For a more sophisticated buyer, who might equate authentic with used, the dealer will murmur knowingly. "This mask has been danced."

He calculates, are convinced that the native cherish warm, misty memories of the bygone colonial era. In her recent French-language book, "Statues Colons, Werewere Likien, an Abidjan gallery owner, interviews Lanfia Diane, a carver from Bouake, Ivory Coast.

"It's the statue in a mode," the carver said of his colons. In an African twist to the American mode in T-shirts printed with a tourist's portrait, African carvers will now carve colons of visiting tourists.

In Korhogo, the tourist trade has brought a new affluence to the traditional Kulebele carvers, a subgroup of the Senoufo. In the Koko neighborhood, motorbikes abound and cement block has replaced mud brick.

Record \$9.13 Million Paid for Big Diamond

NEW YORK — A \$5.91-carat, pear-shaped diamond was sold for \$9.13 million at Sotheby's, setting a world record for any gem sold at auction. Neither the buyer nor the seller were identified.

"Is it true you're doubling your price on airline tickets this spring?" "We have to do it to pay for all the fuel. Our aviation experts have flying with us this winter. We gave away so many bonus miles that we haven't booked one paying passenger for the next six months."

INTERNATIONAL CLASSIFIED

PERSONAL MESSAGES ANNOUNCEMENTS UP TO 52 FREE ISSUES

REAL ESTATE FOR SALE PARIS & SUBURBS AVE FOCH, SUNNY

REAL ESTATE TO RENT/SHARE PARIS AREA FURNISHED 4TH, SAINT PAUL

EMPLOYMENT EXECUTIVES AVAILABLE ATTRACTIVE YOUNG FRENCH lady

EMPLOYMENT GENERAL POSITIONS AVAILABLE HOSTESS, Positions available for young, single girls

EMPLOYMENT GENERAL POSITIONS WANTED AMERICAN WOMAN, bilingual French / English

EMPLOYMENT GENERAL POSITIONS WANTED U.S. REGISTERED NURSE seeks for Europe

ALLIED VAN LINES INTERNATIONAL world-wide moving PARIS DISCOUNTS

REAL ESTATE TO RENT/SHARE GREAT BRITAIN HOLLAND DUTCH HOUSING CENTRE B.V.

EMPLOYMENT EXECUTIVES AVAILABLE ATTENTION EXECUTIVES Publish your business message

EMPLOYMENT GENERAL POSITIONS WANTED TWO U.S. REGISTERED NURSES seeking work in Europe

EMPLOYMENT GENERAL POSITIONS WANTED AMERICAN WOMAN, bilingual French / English

EMPLOYMENT GENERAL POSITIONS WANTED U.S. REGISTERED NURSE seeks for Europe

EMPLOYMENT GENERAL POSITIONS WANTED U.S. REGISTERED NURSE seeks for Europe

Embassy Service 3 Ave. de Messine 75008 Paris

AT HOME IN PARIS APARTMENTS FOR RENT OR SALE PARIS PROMO

EMPLOYMENT EXECUTIVES AVAILABLE ATTENTION EXECUTIVES Publish your business message

EMPLOYMENT GENERAL POSITIONS WANTED TWO U.S. REGISTERED NURSES seeking work in Europe

EMPLOYMENT GENERAL POSITIONS WANTED AMERICAN WOMAN, bilingual French / English

EMPLOYMENT GENERAL POSITIONS WANTED U.S. REGISTERED NURSE seeks for Europe

EMPLOYMENT GENERAL POSITIONS WANTED U.S. REGISTERED NURSE seeks for Europe

PEOPLE Iana Trump Honored By Mother's Day Group Her husband's biography is a best seller and they're both got millions in the bank...